Table of Contents

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 December 31, 2018.

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: 001-37657

Yirendai Ltd.

(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)

10/F, Building 9, 91 Jianguo Road
Chaoyang District, Beijing 100022
The People's Republic of China

(Address of principal executive offices)

Yu Cong, Co-Chief Financial Officer
Telephone: +86 10 5395-3680
Email: ir@yirendai.com
10/F, Building 9, 91 Jianguo Road
Chaoyang District, Beijing 100022
The People's Republic of China

(Name, Telephone, E-mail 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	Name of each exchange on which registered	Ticker symbol
American depositary shares (one American depositary share representing two ordinary shares, par value US$0.0001 per share)	**New York Stock Exchange**	**YRD**
Ordinary shares, par value US$0.0001 per share*	**New York Stock Exchange**	

* Not for trading, but only in connection with the listing on the New York Stock Exchange of American depositary shares.

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

None

(Title of Class)

Table of Contents

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

None
(Title of Class)

Indicate the number of 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.
123,128,842 ordinary shares, par value US$0.0001 per share, as of December 31, 2018.

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

☐ Yes ☒ No

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

☐ Yes ☒ No

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

☒ Yes ☐ No

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

☒ Yes ☐ No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or an emerging growth company. See definition 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 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

TABLE OF CONTENTS

INTRODUCTION

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

- "ADSs" refers to our American depositary shares, each of which represents two ordinary shares;
- "China" or the "PRC" refers to the People's Republic of China, excluding, for the purposes of this annual report only, Hong Kong, Macau and Taiwan;
- "CreditEase" refers to CreditEase Holdings (Cayman) Limited, our parent company and controlling shareholder;
- "M3+ Net Charge-off Rate," with respect to loans facilitated during a specified time period, which we refer to as a vintage, is defined as the difference between (i) the total balance of outstanding principal of loans that become over three months delinquent during a specified period, and (ii) the total amount of recovered past due payments of principal and accrued interest in the same period with respect to all loans in the same vintage that have ever become over three months delinquent, divided by (iii) the total initial principal of the loans facilitated in such vintage;
- "ordinary shares" refers to our ordinary shares, par value US$0.0001 per share;
- "payout ratio" refers to the percentage of an investor's outstanding principal and accrued interest paid out to the investor from our quality assurance program in the event of loan default. Prior to the discontinuation of our quality assurance program in May 2018, we implemented a 100% payout ratio allowing investors to fully recover their outstanding principal and accrued interest in the event of loan default;
- "Online lending information intermediary service providers" refer to marketplaces connecting borrowers and investors;
- "prime borrower" refers to credit card holders with stable credit performance and salary income. In determining whether a prospective borrower has stable credit performance and salary income, we review such borrower's credit card statement for the last six months and/or credit report from the People's Bank of China, or the PBOC, for the last five years, as well as the borrower's salary for the last six months;
- "RMB" and "Renminbi" refer to the legal currency of China;
- "US$," "U.S. dollars," "$," and "dollars" refer to the legal currency of the United States; and
- "Yirendai," "we," "us," "our company" and "our" refer to Yirendai Ltd., its subsidiaries and its consolidated variable interest entities.

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, but are not limited to:

- our goals and strategies;
- our future business development, financial condition and results of operations;
- the expected growth of the online consumer finance marketplace market in China;
- our expectations as to the charge-off rates of loans facilitated through our platform;
- our expectations regarding demand for and market acceptance of our products and services;
- our expectations regarding our relationships with investors and borrowers;
- our plans to invest in our proprietary technologies in the areas of data collection and processing algorithms as well as new business initiatives;
- competition in our industry; and
- relevant government policies and regulations relating to our industry.

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 3D. Key Information—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.

Our reporting currency is Renminbi, or RMB. Unless otherwise noted, all translations from RMB to U.S. dollars and from U.S. dollars to RMB in this annual report are made at a rate of RMB6.8755 to US$1.00, the exchange rate in effect as of the end of December 2018 as set forth in the H.10 statistical release of The Board of Governors of the Federal Reserve System. We make no representation that any RMB or U.S. dollar amounts could have been, or could be, converted into U.S. dollars or RMB, as the case may be, at any particular rate, or at all.

PART I

Item 1. Identity of Directors, Senior Management and Advisers

Not applicable.

Item 2. Offer Statistics and Expected Timetable

Not applicable.

Item 3. Key Information

A. Selected Financial Data

The following selected consolidated statements of operations for the years ended December 31, 2016, 2017 and 2018 and selected consolidated balance sheet as of December 31, 2017 and 2018 have been derived from our audited consolidated financial statements included in this annual report beginning on page F-1. The following selected consolidated statements of operations for the years ended December 31, 2014 and 2015, and selected consolidated balance sheet as of December 31, 2014, 2015 and 2016 have been derived from our audited consolidated financial statements not included in this annual report. Our historical results do not necessarily indicate results expected for any future periods. The selected consolidated financial data should be read in conjunction with, and are qualified in their entirety by reference to, our audited consolidated financial statements and the related notes and "Item 5. Operating and Financial Review and Prospects" below. Our audited consolidated financial statements are prepared and presented in accordance with U.S. GAAP.

	For the Year Ended December 31,					
	2014	2015	2016	2017	2018[4]	
	RMB[1]	RMB[1]	RMB[1]	RMB[1]	RMB[1]	US$
	(in thousands, except for share, per share and per ADS data, and percentages)					
Selected Consolidated Statements of Operations:						
Net revenues	196,525	1,313,639	3,237,991	5,543,350	5,620,728	817,501
Operating costs and expenses:						
Sales and marketing	137,746	679,771	1,571,038	2,921,236	2,525,876	367,373
Origination and servicing	21,820	86,360	180,076	417,882	644,303	93,710
General and administrative	64,637	137,114	320,848	483,796	525,094	76,372
Provision for contingent liability	—	—	81,263	43,049	419,581	61,025
Allowance for contract assets	—	—	—	—	667,846	97,135
Total operating costs and expenses	(224,203)	(903,245)	(2,153,225)	(3,865,963)	(4,782,700)	(695,615)
Interest income, net	—	4,799	36,843	114,851	71,301	10,370
Fair value adjustments related to consolidated asset backed financing entities	—	(11,333)	(19,735)	(40,124)	246,284	35,821
Non-operating income, net	—	—	575	876	5,279	768
(Loss)/income before provision for income taxes	(27,678)	403,860	1,102,449	1,752,990	1,160,892	168,845
Income tax (expense)/benefit	(30)	(128,521)	13,949	(381,207)	(194,287)	(28,258)
Net (loss)/income	(27,708)	275,339	1,116,398	1,371,783	966,605	140,587
Weighted average number of ordinary shares outstanding[2]:						
Basic	100,000,000	100,652,055	118,240,414	120,457,573	122,244,231	122,244,231
Net (loss)/income per ordinary share						
Basic	(0.2771)	2.7356	9.4418	11.3881	7.9072	1.1501
Net (loss)/income per ADS[3]						
Basic	(0.5542)	5.4712	18.8836	22.7762	15.8144	2.3002
Weighted average number of ordinary shares outstanding[2]:						
Diluted	100,000,000	100,652,055	118,937,082	122,256,838	124,289,103	124,289,103
Net (loss)/income per ordinary share						
Diluted	(0.2771)	2.7356	9.3865	11.2205	7.7771	1.1311
Net (loss)/income per ADS[3]						
Diluted	(0.5542)	5.4712	18.7730	22.4410	15.5542	2.2622

(1) Starting from the second quarter of 2016, we changed our reporting currency from the U.S. dollar to the Renminbi, to reduce the impact of increased volatility of the RMB to US$ exchange rate on our reported operating results. The change in our reporting currency has been retroactively reflected for all periods presented herein.

(2) On January 5, 2015, we effected a 10,000-for-1 share split, such that our authorized share capital of US$50,000 was divided into 500,000,000 ordinary shares with a par value of US$0.0001 each, of which 10,000 ordinary shares were issued and outstanding and were owned by CreditEase. On June 25, 2015, we issued 99,990,000 ordinary shares, par value US$0.0001 each to CreditEase for an aggregate purchase price of US$9,999. The share split and the share issuance have been retroactively reflected for all periods presented herein.

(3) Each ADS represents two ordinary shares.

(4) Effective January 1, 2018, we adopted the new revenue recognition standard, ASU 2014-09, "Revenue from contracts with Customers" (Topic 606), using the modified retrospective method in accordance with U.S. GAAP. Results for reporting periods beginning after January 1, 2018 are presented under Topic 606, while results for prior periods are not adjusted and continued to be reported in accordance with our historical accounting policy under Topic 605.

	For the Year Ended December 31,					
	2014	2015	2016	2017	2018	
	RMB	RMB	RMB	RMB	RMB	US$
	(in thousands)					
Selected Consolidated Balance Sheet:						
Cash and cash equivalents	1,378	846,120	968,225	1,857,175	2,028,748	295,069
Restricted cash	—	483,965	1,218,286	1,805,693	102,163	14,859
Contract assets, net	—	—	—	—	1,891,438	275,098
Loans at fair value	—	221,268	371,033	791,681	1,075,097	156,366
Held-to-maturity investments	—	30,000	98,917	9,944	315,641	45,908
Available-for-sale investments	—	—	1,158,000	963,253	832,465	121,077
Total assets	402,144	2,190,003	4,783,388	7,518,664	7,519,026	1,093,596
Liabilities from quality assurance program	—	546,332	1,471,000	2,793,948	9,950	1,447
Deferred tax liabilities	—	—	—	11,277	502,903	73,144
Total liabilities	178,736	1,213,061	2,643,469	4,548,611	2,398,115	348,790
Total equity	223,408	976,942	2,139,919	2,970,053	5,120,911	744,806

B. Capitalization and Indebtedness

Not applicable.

C. Reasons for the Offer and Use of Proceeds

Not applicable.

D. Risk Factors

Risks Related to Our Business

We have a limited operating history in a new and evolving market, which makes it difficult to evaluate our future prospects.

The market for China's online consumer finance marketplaces is new and may not develop as expected. The regulatory framework for this market is also evolving and may remain uncertain for the foreseeable future. Potential borrowers and investors may not be familiar with this market and may have difficulty distinguishing our services from those of our competitors. Convincing potential new borrowers and investors of the value of our services is critical to increasing the volume of loan transactions facilitated through our marketplace and to the success of our business.

We launched our online marketplace in March 2012 and have a limited operating history. Starting in the fourth quarter of 2014, we began offering loan products with different pricing grades. In the second quarter of 2017, we further launched a new credit scoring system, the Yiren score, which can be used to more accurately characterize borrower's credit profile. We have also recently established an open fintech sharing platform "Yirendai Enabling Platform," or the YEP, to provide big-data-backed anti-fraud, risk management and precise customer acquisition solutions to financial institutions and industry partners. As our business develops or in response to competition, we may continue to introduce new products or make adjustments to our existing products, or make adjustments to our business model. In connection with the introduction of new products or in response to general economic conditions, we may impose more stringent borrower qualifications to ensure the quality of loans on our platform, which may negatively affect the growth of our business. Any significant change to our business model, such as our offering of a quality assurance program starting in January 2015, the revision to the quality assurance program funding policy in the fourth quarter of 2015 and the discontinuation of the quality assurance program in May 2018, may not achieve expected results and may have a material and adverse impact on our financial condition and results of operations. It is therefore difficult to effectively assess our future prospects. The risks and challenges we encounter or may encounter in this developing and rapidly evolving market may have impacts on our business and prospects. These risks and challenges include our ability to, among other things:

- navigate an evolving regulatory environment;
- expand the base of borrowers and investors served on our marketplace;
- acquire borrowers and investors in a cost-effective manner;
- broaden our loan product offerings;
- enhance our risk management capabilities;
- attract sufficient funding from individual investors or institutions;
- improve our operational efficiency;
- cultivate a vibrant consumer finance ecosystem;
- maintain the security of our platform and the confidentiality of the information provided and utilized across our platform;
- attract, retain and motivate talented employees; and
- defend ourselves against litigation, regulatory, intellectual property, privacy or other claims.

If we fail to educate potential borrowers and investors about the value of our platform and services, if the market for our marketplace does not develop as we expect, or if we fail to address the needs of our target market, or other risks and challenges, our business and results of operations will be harmed.

If we are unable to maintain or increase the volume of loan transactions facilitated through our marketplace or if we are unable to retain existing borrowers or investors or attract new borrowers or investors, our business and results of operations will be adversely affected.

Prior to 2018, we had experienced rapid growth of our marketplace. The growth of our marketplace is dependent on the increase in the volume of loan transactions facilitated through our marketplace. The overall transaction volume may be affected by several factors, including the regulatory environment, our brand recognition and reputation, the interest rates offered to borrowers and investors relative to market rates, the effectiveness of our risk control, the repayment rate of borrowers on our marketplace, the efficiency of our platform, the macroeconomic environment and other factors.

Governmental authorities have recently tightened and limited the growth of online lending platforms, which has negatively affected and may continue to, negatively affect our business growth in terms of, among other things, our business scale, number of users, loan facilitation amount and outstanding loan balance. For example, Beijing Rectification Office issued a notice on January 24, 2019 requiring online lending information intermediaries to continue to reduce its business scale and number of borrowers and lenders during the administrative verification period. In addition, we may also impose more stringent borrower qualifications in response to general economic conditions to ensure the quality of loans on our platform, which may negatively affect the growth of loan volume.

To the extent permitted by laws and regulations, we intend to continue to dedicate significant resources to our user acquisition efforts, including establishing new acquisition channels. We utilize online channels, such as search engine marketing, search engine optimization, partnerships with internet companies and internet traffic acquisition from third-party online loan products marketplaces, as well as offline channels for user acquisition. We used to rely on CreditEase's nationwide service network for offline user acquisition. In 2016, 2017 and 2018, 42.5%, 27.1% and 28.2% of our borrowers were acquired through referrals from CreditEase, respectively, contributing 62.0%, 45.6% and 41.1% of the total amount of loans facilitated through our marketplace, respectively. As part of a business realignment with CreditEase, for which we entered a set of definitive agreements with CreditEase in March 2019, we have obtained control over CreditEase Puhui Information Consultant (Beijing) Co., Ltd, or Pu Hui, an entity managing CreditEase's national service network. Still, we cannot assure you that we will be successful with our user acquisition efforts. If any of our current user acquisition channels become less effective, if we are unable to continue to use any of these channels or if we are not successful in using new channels, we may not be able to attract new borrowers and investors in a cost-effective manner or convert potential borrowers and investors into active borrowers and investors, and may even lose our existing borrowers and investors to our competitors. If we are unable to attract qualified borrowers and sufficient investor commitments or if borrowers and investors do not continue to participate in our marketplace at the current rates, we might be unable to increase our loan transaction volume and revenues as we expect, and our business and results of operations may be adversely affected.

The laws and regulations governing the online lending information intermediary service industry in China are developing and evolving and subject to changes. If we fail to obtain and maintain requisite approvals, licenses or permits applicable to our business, our business, financial condition and results of operations would be materially and adversely affected.

Due to the relatively short history of the online lending information intermediary service industry in China, the laws and regulations governing our industry have undergone significant changes in recent years and may continue to evolve. In July 2015, the China Banking Regulatory Commission, or the CBRC, the predecessor of China Banking and Insurance Regulatory Commission newly established in April 2018, together with nine other PRC regulatory agencies jointly issued a series of policy measures applicable to the online lending information intermediary service industry titled the Guidelines on Promoting the Healthy Development of Online Finance Industry, or the Guidelines. The Guidelines formally introduced for the first time the regulatory framework and basic principles for administering the online lending information intermediary service industry in China. Based on the core principles of the Guidelines, in August 2016, the CBRC together with three other PRC regulatory agencies jointly issued the Interim Measures on Administration of Business Activities of Online Lending Information Intermediaries, or the Interim Measures. The Interim Measures require online lending information intermediaries and their branches that propose to carry out the online lending information intermediary services to file a record with the local financial regulatory department at the place where it is registered within ten business days after obtaining the business license. Local financial regulatory departments have the power to assess and classify the online lending information intermediaries which have submitted filings, and to publicize the filed information and the classification results on their official websites. An online lending information intermediary must apply for appropriate telecommunication license in accordance with the relevant requirements of telecommunication authorities subsequent to completion of the filing, and is required to explicitly identify itself as an online lending information intermediary in the business scope set forth in its business license.

In accordance with the Guidelines and the Interim Measures, the CBRC, the Ministry of Industry and Information Technology, or the MIIT, and the State Administration for Industry and Commerce, the predecessor of the State Administration for Market Regulation newly established in April 2018, or SAIC, jointly issued the Guide to the Record-filing of Online Lending Information Intermediaries in November 2016, or the Record-filing Guidelines, which outlines the rules, procedures and required documents for the record-filing of online lending information intermediaries, and directs local financial regulatory departments to adopt detailed implementation rules for the record-filing by online lending information intermediaries within their jurisdictions. In December 2017, the Office of Leading Group on Special Rectification of Risks in the Online Lending, the regulator for administration and supervision on the nationwide Internet finance and online lending, or the National Rectification Office, issued the Notice on Rectification and Inspection Acceptance of Risk of Online Lending, or Circular 57, which provides further clarification on several matters in connection with the rectification and record-filing of online lending information intermediaries. Circular 57, among other things, requires certain local governmental authorities to establish an inspection team to conduct risk rectification inspections on online lending information intermediaries within their jurisdictions. If an online lending information intermediary institution passes the inspection, the local governmental authorities shall complete its record-filing. Circular 57 also requires local governmental authorities to complete record-filings of online lending information intermediaries within its jurisdiction by the end of April 2018, except that the deadline for certain complicated cases may be postponed to May 2018 or June 2018. On August 13, 2018, the National Rectification Office issued the Notice on Compliance Inspection on Online Lending Intermediaries, or the Compliance Inspection Notice, which requires each online lending intermediary to be further inspected at three levels, including self-inspection carried out by the online lending intermediary itself, internet finance association inspection led by local internet finance association and/or the National Internet Finance Association of China, and the administrative verification carried out by the provincial online lending rectification office. Pursuant to the Compliance Inspection Notice, the compliance inspection shall be completed by the end of December 2018. The online lending intermediaries that generally meet the requirement of being an intermediary and various standard will be allowed to link to the information disclosure and products registration system. After a period of operation and inspection, the online lending information intermediaries that meet relevant requirements can apply for record-filing. The standards and procedures for linking to the system and record-filing will be promulgated by the regulators separately. On August 24, 2018, the Office of Beijing Municipal Leading Group on Special Rectification of Risks in the Internet Finance, or Beijing Rectification Office, issued a Notice on Launch of Self-Inspection of P2P Online Lending Intermediaries Registered in Beijing, which requires the P2P online intermediaries registered in Beijing to commence self-inspection and to submit self-examination reports by September 30, 2018 and in any event no later than October 15, 2018. However, the record-filings of online lending information intermediaries have not yet been officially launched nationwide. As of the date of this annual report, there has been no announcement as to when the filings will be completed. We have completed self-inspection and the internet finance association inspection, and are ready for the administrative verification, but substantial uncertainties still exist as to whether we are able to meet the requirements of the Interim Measures, the Record-filing Guidelines and Circular 57 regarding record-filing with the local financial regulatory department, application for the appropriate telecommunication license and revision to our business scope. If we fail to complete the record-filing, we might be forced to terminate our online lending information intermediary business.

On December 19, 2018, the Leading Group Office of the Internet Financial Risk Rectification Campaign and the National Rectification Office jointly promulgated the Notice on the Classification and Disposal of Online Lending Institutions and Risk Prevention, or Circular 175, which provides that online lending intermediaries shall be classified into the following two categories according to their risk profiles: (i) institutions with exposed risks, and (ii) institutions without exposed risks, which are further classified as non-operating institutions, small-scale institutions, high-risk institutions and normal operating institutions. We classify our consolidated variable interest entities that operate our online consumer lending platform, Heng Cheng Technology Development (Beijing) Co., Ltd., or Heng Cheng, and CreditEase Huimin Investment Management (Beijing) Co., Ltd, or Hui Min, into normal operating institutions, but we cannot assure you that the PRC regulatory authorities would take the same view as ours. If we are classified into other types of institutions, we might be forced to terminate our online lending information intermediary business. Furthermore, with respect to the normal operating institutions, Circular 175 also provides that the relevant governmental authorities shall, among other things, require such institutions to strictly limit balance of loans and number of lenders, guide such institutions to refer clients to the licensed asset management institutions, assess the risk profiles of such institutions regularly and adjust their classifications in a timely manner if necessary. Though we have tried to reduce our business scale and number of borrowers and investors since July 2018 and keep frequent communications with governmental authorities to ensure the compliance of our business, we cannot assure you that our measures will be satisfactory to the relevant authorities and we may face, among other things, regulatory warning, correction order, condemnation, fines and criminal liability. If such situations occur, our business, financial condition and prospects would be materially and adversely affected.

In addition, Yi Ren Wealth Management, our consolidated variable interest entity, which operates an online wealth management platform, has not obtained a telecommunication business operating license. We cannot assure you that the PRC regulatory authorities will not view us as failing to complete the necessary filing or obtain the necessary license applicable to our business. Furthermore, Heng Cheng and Hui Min, our variable interest entities which had obtained internet information services licenses, or the ICP licenses, from the relevant local counterpart of the Ministry of Industry and Information Technology in accordance with applicable laws for operating our online consumer lending platform, are currently in the process of renewing their ICP licenses. We cannot assure you that they are able to successfully renew their ICP licenses in a timely manner or at all.

Furthermore, we are unable to predict with certainty the impact, if any, that future legislation, judicial precedents, rules or regulations relating to the online lending information intermediary service industry will have on our business, financial condition and results of operations. Due to the uncertainty of the relevant laws, regulations and requirements, we may face remarkable increased risk of default or delinquency of borrowers, and our third-party service providers may implement new internal control and compliance procedures which prohibiting them from working with us, which could lead to significantly higher default rates and adverse impacts on our reputation, business, results of operations and financial positions. In addition, if our practice is deemed to violate any laws, rules or regulations, or if we are unable to obtain and maintain any requisite approvals, licenses or permits required for our business, we may face regulatory warning, fines, injunction or other punitive measures, and our business, financial condition and prospects may be materially and adversely affected.

If our practice is deemed to violate any PRC laws, rules or regulations, our business, financial condition and results of operations would be materially and adversely affected.

According to the Guidelines and the Interim Measures, an online lending information intermediary must not engage in certain activities, including, among other things, (i) fund raising for the intermediary itself, (ii) holding investors' funds or setting up capital pool with investors' funds, (iii) providing security or guarantee to investors as to the principals and interest of the investments, (iv) promoting its financing products on physical premises other than through the permitted electronic channels, such as telephones, mobile phones and internet, (v) making loans, (vi) splitting the terms of projects seeking financing, (vi) issuing or selling wealth management or other financial products, or selling wealth management products, funds, insurance, trust or other financial products as an agent, (viii) conducting securitization or similar business, or conducting loan transfers through packaging, securitization, trust or fund units, (ix) engaging in any form of mixture, bundling or agency activities with other businesses such as institutional investment, commission sale or brokerage, (x) making false or misleading statement regarding projects seeking financing, (xi) providing information intermediary services for loans to be used in high-risk financing transactions such as investment in stocks, over-the-counter financing, futures contracts, structured products and other derivatives, and (xii) equity crowd-funding. The Interim Measures prohibits online lending information intermediaries from making any decision on behalf of investors without authorization. In addition, under the Interim Measures, online lending information intermediaries must adequately disclose on their websites to investors information such as basic information of borrowers and projects seeking financing, risk assessment and possible risk outcome, and use of proceeds of loans facilitated and not yet due; each online lending information intermediary must also disclose prominently on its website information concerning its business operation such as financing transactions facilitated, set up a dedicated portion on its website for information disclosure, and regularly announce to the public its annual report as well as laws, regulations and rules applicable to online lending. The Interim Measures requires online lending information intermediaries to engage accounting firms to conduct periodic audits of the status of fund custody, information disclosure, security of information technology system and operation compliance, to engage qualified institutions to perform regular evaluation concerning information security, and to disclose to investors and borrowers of the results of such audit and evaluation. Under the Interim Measures, online lending information intermediaries must also strength their risk management, enhance screening and verification of borrowers and investors' information, and set up custody accounts with qualified banks to hold customer funds, among other things.

In accordance with the Guidelines and the Interim Measures, the CBRC also issued two other implementation rules and regulations in addition to the Record-Filing Guidelines, namely, (i) the Guidelines for the Depository Business of Online Lending Funds in February 2017, or the Custodian Guidelines; and (ii) the Guidelines for the Disclosure of Information on Business Activities of Online Lending Information Intermediaries in August 2017, or the Disclosure Guidelines. The Custodian Guidelines require each online lending information intermediary to set up a custody account with a single commercial bank for the funds of investors on its platform, take responsibility for the continued development and secure operation of its technical system, make appropriate information disclosure to the custody bank, perform daily account reconciliation with the custody bank, safely maintain its accounts and records, arrange for the independent audits of the custody account and publicly disclose the audit results, and cooperate with the custody bank in meeting anti-money laundering obligations. The Disclosure Guidelines sets forth the information disclosure requirement for online lending information intermediaries, including with respect to their filings and licenses, fund custody, organization, operation, risk management, data regarding loans facilitated, financial audit and compliance review, and channels for customer complaints. In addition, the Disclosure Guidelines require online lending information intermediaries to disclose to investors information concerning borrowers, projects, project risk assessment and possible risk outcome. Under the Disclosure Guidelines, an online lending information intermediary must provide consistent information disclosure across all online channels such as its website, mobile phone application, WeChat public accounts and Weibo accounts, and set up on its website and other online channels a conspicuous section for information disclosure. Furthermore, in May 2017, the CBRC, the Ministry of Education and the Ministry of Human Resources and Social Security jointly released the Notice to Further Enhance the Management of Campus Loans, which prohibits online lending information intermediaries from facilitating loans to college students.

In December 2017, the Leading Group Office of the Internet Financial Risk Rectification Campaign and the National Rectification Office jointly issued the Notice on Rectification of Cash Loan Businesses, or Circular 141, which sets out certain principles in connection with cash loan businesses and online lending information intermediaries. According to Circular 141, online lending information intermediaries are prohibited from: (i) deducting interests, commissions, management fees and deposits from the loans before they are released to the borrowers; (ii) outsourcing core functions such as data collection, customer identification, credit assessment or account openings; (iii) enabling banking financial institutions to engage in P2P online lending; (iv) providing loan facilitation services to individuals who do not possess sufficient debt repayment capabilities or to students; (vi) conducting real-estate financing such as down payment loans for real estate purchasing. See "Item 4. Information on the Company—B. Business Overview—Regulation—Regulations Relating to Online Lending Information Intermediary."

To comply with the laws, rules and regulations relating to the online lending information intermediary service industry, we have implemented various policies and procedures, which we believe set the best practice in the industry, including, without limitation, the following: (i) we do not use our own capital to invest in loans facilitated through our online marketplace; (ii) we do not commit to provide guarantees to investors under any agreement for the full return of loan principal and interest; (iii) we do not hold investors' funds and funds loaned through our platform are deposited into and settled by a third-party custody account managed by a qualified bank, China Guangfa Bank; (iv) Heng Cheng and Hui Min, our variable interest entities operating our online consumer lending platform obtained ICP licenses as internet information providers, from the relevant local counterpart of the Ministry of Industry and Information Technology in accordance with applicable laws. As of the date of this annual report, Heng Cheng and Hui Min are in the process of renewing their ICP Licenses; (v) we disclose on our website relevant information to investors and borrowers, such as disclosure to borrowers regarding interest rates, payment schedule, transaction fees, and other charges and penalties; (vi) we have been making strong effort to maintain the security of our platform and the confidentiality of the information provided and utilized across our platform; (vii) we do not facilitate any loans to college students; and (viii) we do not have loans on our platform that have outstanding balance over RMB200,000 (US$29,089) limit as of this annual report.

However, the laws, rules and regulations continue to evolve in this emerging industry, and the interpretation of these laws, rules and regulations by the local authorities may be different from our understanding. We cannot be certain that our practices would not be deemed to violate any existing or future laws, rules and regulations. For instance,

- our automated investing tool automatically allocates committed funds from multiple investors among multiple approved borrowers, which goes beyond the simple one-to-one matching between investors and borrowers and could be viewed as making decision on behalf of investors without authorization. While investors using our automated investing tools give us prior authorization to allocate their funds among borrowers on their behalf, and we believe such prior authorization is sufficient to meet the requirement of the Interim Measures, we cannot assure you that the PRC regulatory authorities would take the same view as ours;

- our automated investing tool may also be viewed as splitting the terms of projects seeking financing and /or offering wealth management products;

- if our automated investing tool fails to match committed investors with approved borrowers in a timely manner, we might be deemed to hold investors' funds and form a capital pool incidentally;

- for investor protection purpose, we set up a quality assurance program with the purposes of limiting investors' potential losses due to borrower defaults historically. See "Item 4. Information on the Company—B. Business Overview—Risk Management—Investor Protection." The Interim Measures prohibit online lending information intermediaries from providing security or guarantee to investors as to the principals and interest of the investments. Circular 57 further prohibits online lending information intermediaries from setting up new risk reserve funds or increasing existing risk reserve funds, and requires them to gradually reduce the existing risk reserve funds. To comply with regulatory requirements, we discontinued the operation of the quality assurance program by transferring all liabilities associated with the quality assurance program to a third-party guarantee company at fair value in May 2018 and switched to cooperation with insurance and guarantee companies, under which model insurance premium and guarantee fees are paid by borrowers to the insurance and guarantee companies, respectively. However, it is uncertain how the Interim Measures or Circular 57 will be interpreted due to the lack of detailed implementation rules. As a result, we cannot assure you that our existing practice might not be viewed by the PRC regulatory authorities as that we are providing securities or risk reserve fund to the investors or otherwise violating the Interim Measures or Circular 57. In addition, under our cooperation with guarantee companies, the guarantee companies can either provide guarantee for loans facilitated through our online marketplace for the assurance that investors' principal and interest would be repaid in the event that their loans default, or set up and managed a reserve fund, using payments collected from borrowers, to compensate investors for their potential loss due to loan defaults up to the cash available in the fund. One of the guarantee companies that currently provides guarantee for loans facilitated through our online marketplaces is a non-financing guarantee company, which may be deemed to provide guarantee services without proper qualification in accordance with the Regulations on the Administration of Financing Guarantee Companies, or the Financing Guarantee Rules, which was promulgated by State Council on August 2, 2017 and became effective on October 1, 2017. The Financing Guarantee Rules require that without the approval by the competent government department, no entity may operate financing guarantee business in which such entity acts as a guarantor providing guarantee to the guaranteed parties as to their loans, bonds or other types of debt financing. If the guarantee company is deemed as violating relevant laws and regulations by providing guarantee services to investors, we will have to terminate our cooperation with it, and we cannot assure you that we will be able to find any alternative solutions in a timely and cost-efficiently manner. If we cannot provide effective means to protect investors form potential default risks, our reputation and business would be materially and adversely affected;

- the Interim Measures require that the balance of money borrowed by any individual must not exceed RMB200,000 (US$29,089) on an online lending information intermediary platform and not exceed RMB1 million (US$145,444) on all online lending information intermediary platforms in the PRC. We already adjusted our relevant policy and completely terminated facilitating loans with principal over RMB200,000 (US$29,089) starting from May 1, 2017 and we began to spin off the loans we facilitated in the past having outstanding balance over such limit since the beginning of 2018. By now, we do not have loans on our platform that have outstanding balance over RMB200,000 (US$29,089) limit, but we cannot assure you that the forgoing loan spin-off program would be recognized by the PRC regulatory authorities. In addition, due to lack of industry-wide information sharing arrangement, we cannot assure you that the aggregate amount of loans taken out by a borrower on our platform and other online lending information intermediary platforms at any point in time does not exceed the limit set in the Interim Measures;

- as we are transitioning into a comprehensive online financial services platform, certain independent third parties start to promote and sell wealth management products on our wealth management platform operated by Yi Ren Wealth Management. Selling wealth management products online may be subject to a variety of PRC laws and regulations governing financial services, such as the Internet Insurance Measures, as well as the relevant requirements of telecommunication authorities, pursuant to which Yi Ren Wealth Management may need to obtain an ICP license. On March 28, 2018, the Leading Group Office of the Internet Financial Risk Rectification Campaign issued the Notice on Expanding the Vigour of the Rectification of Asset Management Operations Conducted via the Internet and Inspection and Acceptance Work, or Circular 29, which provided that without the approval of the PRC financial regulatory authorities, no entity may issue or sell asset management products through the internet. The application and interpretation of these laws and regulations are ambiguous and may be interpreted and applied inconsistently between different government authorities. Although we believe our role is only that of an intermediary between the sellers and the purchasers of the wealth management products, which is not forbidden by Circular 29, the PRC regulatory authorities may nevertheless view our activities as the sale by us or on an agency basis of wealth management products without complying with the Interim Measures, Circular 29 and relevant PRC laws and regulations regarding online sale of funds and insurance products;

- we have not yet disclose on our website (i) risk assessment and possible risk outcome of the projects listed on our platform as seeking financing, or (ii) periodic audit result by an accounting firm of our status in fund custody, information disclosure, security of information technology system and operation compliance. In addition, as the Disclosure Guidelines is relatively new. Substantial uncertainties exist with respect to its interpretation and implementation. We cannot assure you that our current information disclosure practices would be deemed to comply with the regulation;

- we do not yet arrange for the independent audit of the custody account for investor funds and publicly disclose the result of such audit, as required by the Custodian Guidelines;

- Circular 141 prohibits online lending information intermediaries from facilitating loans without specified purposes. Although we require borrowers to specify and undertake the usage of the loans when they apply for the loans, we cannot ensure that all those borrowers will comply with their undertaking, nor can we ensure that such requirement is sufficient for those loans to be deemed by the governmental authorities as not falling within the aforementioned prohibited business;

- Total fees paid by borrowers comprise fixed interest that are paid to investors, transaction fees we charge borrowers for our services, and insurance premium and guarantee fees paid by borrowers to insurance and guarantee companies. The transaction fees, insurance premium and guarantee fees are paid by the borrowers from the loans after the loans are released to the borrowers' sub-account under the master custody accounts. Although our transaction fees are different from interests, commissions, management fees or deposits, our current fee collection methods might be deemed by the PRC regulatory authorities as up-front deductions from the principal of loans released to the borrowers prohibited by Circular 141 and other regulatory documents promulgated by the National Internet Finance Association of China, and we may be required to modify our current fee collection methods or may be subject to other penalties;

- Circular 57 permits low frequencies transfers of lenders' rights to loans between lenders for liquidity purpose, but expressly prohibits certain transfers, including transfers of lenders' rights in form of assets-backed securities, trust assets, fund properties and certain other form of securities, and transfers as a result of online lending information intermediaries providing current or fixed-term financial products to lenders, the terms of which are not consistent with the terms that the corresponding borrowers intend to borrow the loans for. We allow and facilitate lenders to transfer their rights to loans on our platform. Our automated investing tool also allows an investor to invest a specified amount of money to borrowers through our marketplace for a specified period of time, which might be viewed by the PRC regulatory authorities as fixed-term financial products. Due to lack of detailed implementation rules to Circular 57, we cannot assure you that all our practices would be deemed to comply with Circular 57; and

- We have a nationwide service network across China which may be subject to inspections by relevant local governmental authorities from time to time. The periodical inspections from local governmental authorities may distract our officers' attention to business operations, and as a result, our business, financial condition may be materially and adversely affected. In addition, laws, rules or regulations may be different or interpreted differently from one place to another. We cannot assure you that our practices would be deemed to comply with all the laws, rules or regulations at all the places where we have an operation.

We have been in frequent communications with governmental authorities to clarify these and other regulatory requirements and ensure the compliance of our business. As of the date of this annual report, we have not been subject to any material fines or other penalties under any PRC laws, rules or regulations including those governing the online lending information intermediary service industry in China.

Due to the continuing development and evolution in the online lending information intermediary service industry as well as the broader internet finance industry, the PRC regulatory authorities are constantly of evaluating the practices of market participants and requesting rectification of those that have been identified as not in compliance with applicable laws, rules and regulations. We cannot assure you that our practices will not be required to be rectified or our rectification measures and results will be satisfactory to the relevant authorities. If our practice is deemed to violate any laws, rules or regulations, we may face, among others, regulatory warning, correction order, condemnation, fines and criminal liability. If such situations occur, our business, financial condition and prospects would be materially and adversely affected.

The PRC government has adopted several regulations governing personal credit reporting businesses. According to these regulations and measures, no entity may engage in personal credit reporting business without approval by the credit reporting industry regulatory department under the State Council. If any entity directly engages in personal credit reporting business without such approval, the entity is subject to penalties including suspension of business, confiscation of revenues related to personal credit reporting business, fines and criminal liabilities. We organize, store and analyze information provided by users and third parties. This information and data contains certain personal information of users, a portion of which, upon their consent, we may provide to our marketplace investors and/or make available on the YEP as part of the big data backed risk management, anti-fraud and precise customer acquisition solutions provided to financial institutions and industry partners. Due to the lack of further interpretations of the current regulations governing personal credit reporting businesses, it is uncertain whether we would be deemed to engage in personal credit reporting business. We cannot assure you that we will not be required in the future to obtain approval or license for personal credit reporting business and comply with the relevant regulations, which may be costly, or become subject to penalties associated with regulations governing personal credit reporting business.

According to the Financing Guarantee Rules, without the approval by the competent government department, no entity may operate financing guarantee business in which such entity acts as a guarantor providing guarantee to the guaranteed parties as to their loans, bonds or other types of debt financing. If any entity engages in financing guarantee business without such approval, the entity may be subject to penalties including ban or suspension of business, confiscation of revenues related to financing guarantee business, fines and criminal liabilities. Circular 141 further sets out that a banking financial institution shall not accept any credit enhancement service, ultimate commitment or any other disguised credit enhancement service provided by any third-party institution without guarantee qualifications. We cooperated with a bank to furnish the borrower referral and facilitation services to the bank from August 2017 to December 2017. We provided guarantee deposits to the bank to protect it from potential losses due to loan delinquency and undertook to timely replenish such deposit from time to time. We also undertake to repay the bank on behalf of defaulting borrowers if any repayment is 80 days overdue and upon such full repayment to the bank, we will obtain the creditor's rights in respect of the relevant default amount. Since the promulgation of Circular 141, we have suspended the cooperation with the bank. Due to the lack of further interpretations and the evolving regulatory environments, it is uncertain whether we would be deemed by the PRC regulatory authorities as operating financing guarantee business, which is prohibited by the Interim Measures. We cannot assure you that we will not be subject to sanctions imposed by relative PRC regulatory agencies, or be required in the future to obtain approval or license for financing guarantee business to continue our cooperation with banks.

If our business arrangements with certain institutional investors were deemed to violate PRC laws and regulations, our business and results of operations could be materially and adversely affected.

As part of our strategy to expand our investor base from individual investors to institutional investors, we may from time to time explore alternative funding initiatives, including through standardized capital instruments such as the issuance of asset-backed securities. In October 2015 we established a business relationship with a trust, Huijin No. 28 Single Capital Trust E1, or Trust No. 1, in a pilot program, under which Trust No. 1 invested in loans through our platform using funds received from its investor, which is also its sole beneficiary. Trust No. 1 is administered by an independent third-party state-owned trust company, which acts as the trustee, for the purposes of providing returns to its sole beneficiary through extending loans up to an aggregate principal amount of RMB250.0 million to borrowers recommended by our platform. Trust No. 1's settlor and sole beneficiary is Fengsheng Private Investment Fund No. 1, or Fund No. 1, a fund managed by Zhe Hao Shanghai Asset Management Company, or Zhe Hao, an affiliate of CreditEase. Fund No. 1's investors are PRC individuals who are not affiliated with our company. In April 2016, Zhe Hao, on behalf of Fund No. 1, transferred Fund No. 1's entire beneficiary rights in Trust No. 1 to China International Capital Corporation Limited, a special purpose vehicle, which subsequently issued and listed RMB250.0 million asset-backed securities on the Shenzhen Stock Exchange in China, with the loans invested by Trust No. 1 through our platform as the underlying assets. Heng Ye, one of our PRC subsidiaries, purchased RMB47.5 million asset-backed securities through the Shenzhen Stock Exchange.

In July 2016, we established a business relationship with another trust, Huijin No. 28 Single Capital Trust E2, or Trust No. 2, which is of the similar structure to Trust No. 1 described above—Trust No. 2 is administered by an independent third-party state-owned trust company and has a fund, CreditEase Wealth Consumer Credit Investment Fund managed by Zhe Hao, or Fund No. 2, as its settlor and sole beneficiary. Trust No. 2 invested an aggregate of RMB300.0 million in loans to borrowers recommended by our platform using the funds raised by its sole beneficiary from ultimate investors, including RMB30.0 million invested by Heng Cheng, one of our variable interest entities in the PRC. In April 2017, Zhe Hao, on behalf of Fund No. 2, transferred Fund No. 2's beneficiary rights in Trust No. 2 to Bohai International Trust Co., Ltd., an independent third party, which created Bohai Trust • Zhong Yi Property Trust No. 1, or Zhong Yi Trust, to host the beneficial rights. Zhong Yi Trust has subsequently completed an issuance of RMB300.0 million asset-backed securities through private placements. On the date of transfer, Heng Ye purchased all subordinated beneficiary rights amounted to RMB102.3 million representing 34% of the asset-backed securities upon their issuance.

In June 2017 and October 2017, we established similar business relationship with other trusts, Huijin No. 28 Single Capital Trust E3, or Trust No. 3 and Bohai Trust • Yirendai Personal Loan Single Capital Trust, or Bohai Trust No. 1, respectively. Trust No. 3 and Bohai Trust No. 1 are administered by independent third-party trust companies to invest in loans to borrowers recommended by our platform, with Heng Ye as their sole settlor and sole beneficiary. Heng Ye invested in an aggregate of RMB500.0 million and RMB200.0 million in the Trust No.3 and Bohai Trust No. 1, respectively.

In January 2018, we, together with Beijing Baifubao Technology Co., Ltd., or Baifubao, an independent third party, established a business relationship with another trust, or Trust No. 4, a trust administered by an independent third-party state-owned trust company. Heng Ye is the sole settlor and beneficiary of Trust No. 4 and has invested in an aggregate of RMB350.0 million (US$50.9 million) in the Trust No. 4. We team up with Baifubao to conduct two-layer risk assessment and recommend borrowers to Trust No. 4. As of December 31, 2018, Trust No. 4 invested an aggregate of RMB361.4 million (US$52.6 million) in loans recommended by us.

In April 2018, we, together with Baifubao, established a business relationship with Huijin No. 56 Collective Capital Trust E1, or Trust No. 5, a trust administered by an independent third-party state-owned trust company. Heng Ye and Heng Yu Da, being the settlors and beneficiaries of Trust No. 5, have invested in RMB865.0 million (US$125.8 million) and RMB15.0 million (US$2.2 million), respectively in Trust No. 5. We team up with Baifubao to conduct two-layer risk assessment and recommend borrowers to Trust No. 5. As of December 31, 2018, Trust No. 5 invested an aggregate of RMB771.0 million (US$112.1 million) in loans recommended by us.

In May 2018, Heng Ye set up Yi Heng No. 1 Property Right Trust, or Yi Heng No. 1 Trust, as the sole settlor, using the beneficial rights of Trust No. 3 as the underlying asset. Yi Heng No. 1 Trust is administered by an independent third-party state-owned trust company. In June 2018, Heng Ye transferred 10%, 45%, and 45% of the beneficial rights of Yi Heng No. 1 Trust to Heng Yu Da, Heng Lang Sheng and Heng Xin Xin, respectively, which amounts to 36.0 million (US$5.2 million), 162.0 million (US$23.6 million) and 162.0 million (US$23.6 million), respectively.

Although Heng Cheng, our consolidated variable interest entity operating our online marketplace, are not part of the fund-raising process by the trusts or the funds, we cannot assure you that our provision of services to the trusts and investments through the trusts by Heng Ye will not be viewed by PRC regulators as violating any laws or regulations regarding capital pools. Also, we transferred cash to Trust No.1 in an amount equal to certain percentage of the entire assets put into the trust, as a security fund to protect the trust from potential losses from defaults of loans in which the trust has invested. Under limited circumstances, the remainder of such fund may be returned to us, and we cannot assure you that we will not be viewed by PRC regulators as bearing some credit risk or providing credit enhancement services under such arrangement. In addition, we cannot assure you that (a) Heng Ye's purchase of the asset-backed securities regarding Trust No. 1 through the Shenzhen Stock Exchange, (b) Heng Ye's purchase of the asset-backed securities regarding Trust No. 2 in private placement, (c) Heng Ye's subscription to Trust No. 3, Bohai Trust No. 1, Trust No. 4 and Trust No. 5, and (d) Heng Yu Da's, Heng Lang Sheng's and Heng Xin Xin's purchases of the asset-backed securities regarding Trust No. 3 in private placement would not be deemed as investment in loans facilitated through the online marketplace we operate by using our own capital. Furthermore, the PRC regulatory authorities may regard these arrangements relating to the trusts mentioned above as constituting selling trust products or conducting loan transfers through packaging, securitization, trust or fund units prohibited by the Interim Measures. If any of such business arrangements were deemed to violate PRC laws and regulations, our business and results of operations could be materially and adversely affected. In addition, as the laws, rules and regulations applicable to asset-backed securities are still developing, it remains uncertain as to the application and interpretation of such laws, rules and regulations, particularly as they relate to the online lending information intermediary industry.

If the combination of the interest and transaction fees charged to the borrower on a loan is deemed to exceed the cap on judicially-protected interest rate, such excess interest or transaction fee may be ruled as unenforceable or even invalidated by the courts.

Pursuant to the Provisions on Several Issues Concerning Laws Applicable to Trials of Private Lending Cases issued by the Supreme People's Court on September 1, 2015, or the Private Lending Judicial Interpretation, in relation to lending activities between individuals, entities or other organizations that are not licensed financial institutions, if the interest rate of a loan exceeds 36% per annum, the portion in excess of 36% is invalid and void. If the interest rate of a loan exceeds 24% per annum, the portion between 24% and 36% per annum is valid but not enforceable under the PRC judicial system. In addition, on August 4, 2017, the Supreme People's Court promulgated Certain Opinions Concerning Further Strengthening Finance Judgment Work, or the Opinions on Finance Judgment, which provides, among other things, that (i) the claim of a borrower under a financial loan agreement to adjust or cut down the portion of interest in excess of 24% per annum on the basis that the aggregate amount of interest, compound interest, default interest, liquidated damages and other fees collectively charged to the borrower is overly high shall be upheld by PRC courts; and (ii) in case of disputes regarding online finance transactions, if peer-to-peer lending platforms circumvent the upper limit of the judicially protected interest rate by charging service fees, such fees will be held invalid. Furthermore, Circular 141, which took effect on December 1, 2017, requires that the interests and all the comprehensive capital costs charged and collected from a borrower should be uniformly converted into an annualized capital cost which shall not exceed the ceiling amount provided by the Private Lending Judicial Interpretations. To date, it is still unclear as to how the relevant local financial regulatory authorities will interpret Circular 141, and what calculation mechanism of a borrower's annualized capital cost will be.

Total fees paid by borrowers on our platform comprise fixed interest that are paid to investors, transaction fees we charge borrowers for our services and insurance premium and guarantee fees paid by borrowers to insurance and guarantee companies. See "Item 4. Information on the Company—Business Overview—Our Products and Services—Loan Pricing Mechanism." In determining the transaction fee rate we charge, we take into account, among others, the creditworthiness of borrowers, costs incurred by us in providing loan origination services and our reasonably estimated profits. The transaction fees we charge are recognized as our revenue and investors will not receive any part of the transaction fees we charge borrowers. In an effort to comply with Circular 141 and applicable regulations, we have adjusted the pricing of all our products with the aim to ensure that the annualized capital cost rates charged on all our loan products do not exceed the cap on judicially-protected interest rate. However, if the method of calculating the annualized borrowing costs used by the PRC governmental authorities or the PRC courts is different from ours, we cannot assure you that the annualized capital costs charged to borrowers on our platform are always within the cap on judicially-protected interest rate. If the aggregated borrowing costs of some of the loan products we facilitate are deemed to exceed the judicially-protected interest rate, parts or all of the transaction fees we collected may be ruled as unenforceable or even invalid by the PRC courts, which would materially and adversely affect our results of operations and financial condition. In addition, we may face, among other things, regulatory warning, correction order, condemnation, and fines, and we may be required to reduce transaction fees and lower the annual interest rate charged to borrowers. If such situations were to occur, our business, financial condition, results of operations and prospects would be materially and adversely affected.

If we are unable to maintain low default rates for loans facilitated by our platform, our business and results of operations may be materially and adversely affected.

Investments in loans on our marketplace involve inherent risks as the return of the principal on a loan investment made through our platform is not guaranteed by us, although we aim to limit investor losses due to borrower defaults to within an industry acceptable range through various preventive measures we have taken or will take. Our ability to attract borrowers and investors to, and build trust in, our marketplace is significantly dependent on our ability to effectively evaluate a borrower's credit profile and maintain low default rates. To conduct this evaluation, we have employed a series of procedures and developed a proprietary credit assessment and decisioning model. Our credit scoring model aggregates and analyzes the data submitted by a borrower as well as the data we collect from a number of internal and external sources, and then generates a Yiren score for the prospective borrower. The score will be further used to approve and classify the borrower into one of the five segments in our current risk grid. If our credit scoring model contains programming or other errors, is ineffective or the data provided by borrowers or third parties is incorrect or stale, our loan pricing and approval process could be negatively affected, resulting in misclassified or mispriced loans or incorrect approvals or denials of loans. If we are unable to effectively and accurately assess the credit profiles of borrowers, segment borrowers into appropriate grade in the risk grid, or price loans on our platform appropriately, we may either be unable to offer attractive fee rates to borrowers and returns to investors, or unable to maintain low default rates of loans facilitated by our platform. In addition, it will also have impact on collectability of service fees, resulting higher allowance for contract assets.

Historically, loans generated from our online channels generally have experienced higher delinquency rates and higher charge-off rates as compared with loans referred from offline channels. If the proportion of loans generated from our online channels increases as opposed to loans generated from our offline channels, the overall delinquency rates and charge-off rates of loans facilitated by our platform may increase. In addition, once a loan application is approved, we do not further monitor certain aspects of the borrower's credit profile, such as changes in the borrower's credit report and the borrower's purchasing pattern with online merchants. If the borrower's financial condition deteriorates, we may not be able to take measures to prevent default on the part of the borrower and thereby maintain low default rates for loans facilitated by our platform. Prior to the completion of our contemplated business realignment with CreditEase, the borrowers that we serve, including those falling under Grade I, II, III, IV and V of our current risk grid, are primarily prime borrowers. After the completion of the contemplated business realignment with CreditEase, we will expand to serve new borrower groups beyond prime borrowers, and we may find it difficult or unable to maintain low default rates of loans facilitated through our marketplace. Although we offer investor protection services in collaboration with insurance and guarantee companies, if widespread defaults were to occur, investors may still incur losses and lose confidence in our marketplace, the insurance and guarantee companies that cooperate with us may raise their insurance premium and guarantee service fees, which may cause us to lower fee rate to stay competitive in acquiring borrowers, and our business and results of operations may be materially and adversely affected.

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

We incur expenses and consume resources upfront to develop, acquire and market new loan products. For example, in the second quarter of 2017, we launched our new credit scoring system, the Yiren score, which can be used to more accurately characterize borrower's credit profile. Under this new credit scoring system, we have an upgraded risk grid with five segments, which we refer to as Grade I, Grade II, Grade III, Grade IV and Grade V. The expected M3+ Net Charge-off Rate and actual observed results for each of these customer groups divide potential borrowers into distinctively different credit segments. For a more detailed description of the risk grades we currently offer, please see "Item 4. Information on the Company—B. Business Overview—Risk Management—Proprietary Credit Scoring Model and Loan Qualification System." New loan products must achieve high levels of market acceptance in order for us to recoup our investment in developing, acquiring and bringing them to market.

Our existing or new loan products and changes to our platform could fail to attain sufficient market acceptance for many reasons, including but not limited to:

- our failure to predict market demand accurately and supply loan products that meet this demand in a timely fashion;
- borrowers and investors using our platform may not like, find useful or agree with any changes;
- our failure to properly price new loan products;
- defects, errors or failures on our platform;
- negative publicity about our loan products or our platform's performance or effectiveness;
- views taken by regulatory authorities that the new products or platform changes do not comply with PRC laws, rules or regulations applicable to us; and

- the introduction or anticipated introduction of competing products by our competitors.

Another example is the automated investing tool that we offer to investors. With our automated investing tool, an investor may lend to borrowers on our marketplace for a specified period of time, and the investor's funds are automatically allocated among approved borrowers. However, we cannot rule out the possibility that there may be a mismatch between the investor's expected timing of exit and the maturity date of the loans to which the automated investing tool allocates the investor's funds. Investors using our automated investing tool typically invest for a shorter period than the terms of the underlying loans. If we are unable to find another investor to take over the remainder of the loans from the original investor that uses our automated investing tool at the time of his expected exit, then the original investor will have to remain invested in the loans and his expectation of liquidity would not be satisfied. If such mismatches occur in a widespread manner, investor acceptance of or satisfaction with our automatic investing tool would be adversely impacted.

If our new loan products do not achieve adequate acceptance in the market, our competitive position, results of operations and financial condition could be harmed.

Our business depends on our ability to collect payment on and service the transactions we facilitate.

We utilize an automated process for collecting scheduled loan payments from our borrowers. Upon loan origination, we establish a payment schedule with payment occurring on a set business day each month. Borrowers then make scheduled loan repayments via a third-party payment platform to a custody account, and authorize us to debit the custody account for the transfer of scheduled loan repayments to the lending investors. As a day-to-day service to borrowers, we provide payment reminder services such as sending reminder text messages on the day a repayment is due. Once a repayment is past due, we also send additional reminder text messages. We outsource all stages of the collections process to CreditEase. To facilitate repayment and as a service to investors, the collections process is divided into distinct stages based on the severity of delinquency, which dictates the level of collection steps taken. However, despite such collection efforts, we cannot assure you that we will be able to collect the relevant payments as expected. Failure to collect payments and maintain low default rates for loans facilitated by our platform will have a material adverse effect on our business operations, financial positions and results of operations. As the amount of loans facilitated on our platform continues to increase, additional resources as to collection may be required, including additional resources from CreditEase or other third-party service providers. Costs associated with these additional efforts may similarly increase which may also have a material adverse effect on our results of operations. Furthermore, any misconduct in our collection practice (including that of CreditEase carried out on our behalf) is considered not to be in compliance with the relevant laws, rules and regulations may harm our reputation and business, which could further reduce our ability to collect payments from borrowers, lead to a decrease in the willingness of prospective borrowers to apply for loans on our platform, or fines and penalties imposed by the relevant regulatory authorities, any of which may have a material adverse effect on our results of operations. In addition, if any laws, rules or regulations are adopted by the regulatory authorities in the future imposing additional restrictions on debt collection practice, we may need to modify our collection efforts accordingly.

We cooperate with business partners to provide services to investors and borrowers on our platform. If we are unable to maintain relationships with existing business partners and develop new relationships with potential business partners on terms acceptable to us, our reputation, business and results of operations may be materially and adversely affected.

We have established strategic partnerships with multiple financial institutions in the ordinary course of our business, including joint-stock banks, city banks, internet banks, insurance companies and trust companies. For example, we cooperate with insurance and guarantee companies to provide investor protection services. All outstanding loans facilitated through our marketplace are currently covered either by a credit assurance program operated by third-party guarantee companies or PICC's surety insurance program. See "Item 4. Information on the Company—B. Business Overview—Risk Management—Investor Protection." If these insurance and guarantee companies fail to perform any of their contractual obligations, investors on our platform may lose confidence in our marketplace, which could materially harm our reputation. If any of these insurance and guarantee companies is unable or unwilling to continue operating in the line of business that is the subject of their cooperation with us for regulatory, business or other reasons, we may not be able to obtain similar relationships on terms acceptable to us in a timely manner or at all. If any of the foregoing were to occur, our reputation, business and results of operations would be materially and adversely affected.

If we do not compete effectively, our results of operations could be harmed.

The online consumer finance marketplace industry in China is intensely competitive and evolving. We compete with a large number consumer finance marketplaces. We also compete with financial products and companies that attract borrowers, investors or both. With respect to borrowers, we primarily compete with traditional financial institutions, such as consumer finance business units in commercial banks, credit card issuers and other consumer finance companies. With respect to investors, we primarily compete with other investment products and asset classes, such as equities, bonds, investment trust products, bank savings accounts, real estate and alternative asset classes.

Our competitors operate with different business models, have different cost structures or participate selectively in different market segments. They may ultimately prove more successful or more adaptable to new regulatory, technological and other developments. Some of our current and potential competitors have significantly more financial, technical, marketing and other resources than we do and may be able to devote greater resources to the development, promotion, sale and support of their platforms. Our competitors may also have longer operating histories, more extensive borrower or investor bases, greater brand recognition and brand loyalty and broader partner relationships than us. Additionally, a current or potential competitor may acquire one or more of our existing competitors or form a strategic alliance with one or more of our competitors. Our competitors may be better at developing new products, offering more attractive investment returns or lower fees, responding faster to new technologies and undertaking more extensive and effective marketing campaigns. In response to competition and in order to grow or maintain the volume of loan transactions facilitated through our marketplace, we may have to offer higher investment return to investors or charge lower transaction fees, which could materially and adversely affect our business and results of operations. If we are unable to compete with such companies and meet the need for innovation in our industry, the demand for our marketplace could stagnate or substantially decline, we could experience reduced revenues or our marketplace could fail to achieve or maintain more widespread market acceptance, any of which could harm our business and results of operations.

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

We believe that developing and maintaining awareness of our brand effectively is critical to attracting new and retaining existing borrowers and investors to our marketplace. Successful promotion of our brand and our ability to attract qualified borrowers and sufficient investors depend largely on the effectiveness of our marketing efforts and the success of the channels we use to promote our marketplace. Our efforts to build our brand have caused us to incur significant expenses, and it is likely that our future marketing efforts will require us to incur significant additional expenses. These efforts may not result in increased revenues in the immediate future or at all and, even if they do, any increases in revenues may not offset the expenses incurred. If we fail to successfully promote and maintain our brand while incurring substantial expenses, our results of operations and financial condition would be adversely affected, which may impair our ability to grow our business.

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

For the purpose of credit assessment, we obtain borrower credit information from third parties, such as financial institutions and e-commerce providers, and assess applicants' credit and assign credit scores to borrowers based on such credit information. A credit score assigned to a borrower may not reflect that particular borrower's actual creditworthiness because the credit score may be based on outdated, incomplete or inaccurate consumer reporting data. Although we do not permit borrowers to hold more than one loan that has been facilitated through our platform at a time, we currently do not have a comprehensive way to determine whether borrowers have obtained loans through other consumer finance marketplaces, creating the risk whereby a borrower may borrow money through our platform in order to pay off loans to investors on other platforms. Additionally, there is a risk that, following our obtaining a borrower's credit information, the borrower may have:

- become delinquent in the payment of an outstanding obligation;
- defaulted on a pre-existing debt obligation;
- taken on additional debt; or
- sustained other adverse financial events.

Such inaccurate or incomplete borrower credit information, and the potential discontinuation of borrower credit information from third parties could compromise the accuracy of our credit assessment, require adjustments to our credit assessment model and adversely affect the effectiveness of our control over our default rates, which could in turn harm our reputation and materially and adversely affect our business, financial condition and results of operations.

In addition, our business of connecting investors and individual borrowers may constitute an intermediary service, and our contracts with these investors and borrowers may be deemed as intermediation contracts, under the PRC Contract Law. Under the PRC Contract Law, an intermediary may not claim for service fee and is liable for damages if it conceals any material fact intentionally or provides false information in connection with the conclusion of an intermediation contract, which results in harm to the client's interests. See "Item 4. Information on the Company—B. Business Overview—Regulation—Regulations Relating to Online Lending Information Intermediary—Regulations on Loans between Individuals." Therefore, if we fail to provide material information to investors, or if we fail to identify false information received from borrowers or others and in turn provide such information to investors, and in either case if we are also found to be at fault, due to failure or deemed failure to exercise proper care, such as to conduct adequate information verification or employee supervision, we could be held liable for damages caused to investors as an intermediary pursuant to the PRC Contract Law. In addition, if we fail to complete our obligations under the agreements entered into with investors and borrowers, we could also be held liable for damages caused to borrowers or investors pursuant to the PRC Contract Law. On the other hand, we do not assume any liability solely on the basis of failure to correctly assign a loan grade to a particular borrower in the process of facilitating a loan transaction, as long as we do not conceal any material fact intentionally or provide false information, and are not found to be at fault otherwise. However, due to the lack of detailed regulations and guidance in the area of online lending information intermediary services and the possibility that the PRC government authority may promulgate new laws and regulations regulating online lending information intermediary services in the future, there are substantial uncertainties regarding the interpretation and application of current or future PRC laws and regulations for the online lending information intermediary service industry, and there can be no assurance that the PRC government authority will ultimately take a view that is consistent with us.

Any harm to our brand or reputation or any damage to the reputation of the online consumer finance marketplace industry may materially and adversely affect our business and results of operations.

Enhancing the recognition and reputation of our brand is critical to our business and competitiveness. Factors that are vital to this objective include but are not limited to our ability to:

- maintain the quality and reliability of our platform;
- provide borrowers and investors with a superior experience in our marketplace;
- enhance and improve our credit assessment and decision-making models;
- effectively manage and resolve borrower and investor complaints; and
- effectively protect personal information and privacy of borrowers and investors.

Our brand and reputation may also be negatively affected if the guarantee company providing guarantees, or the insurance company providing surety insurances, to the loans we facilitated fails to repay, or reimburse the investors, the principal and accrued interest on defaulted loans pursuant to the terms of the guarantee arrangement and business agreement. Any malicious or innocent negative allegation made by the media or other parties about the foregoing or other aspects of our company, including but not limited to our management, business, compliance with law, financial condition or prospects, whether with merit or not, could severely hurt our reputation and harm our business and operating results. As the market for China's online consumer finance marketplaces is new and the regulatory framework for this market is also evolving, negative publicity about this industry may arise from time to time. Negative publicity about China's online consumer finance marketplace industry in general may also have a negative impact on our reputation, regardless of whether we have engaged in any inappropriate activities.

In addition, certain factors that may adversely affect our reputation are beyond our control. Negative publicity about our partners, outsourced service providers or other counterparties, such as negative publicity about their debt collection practices and any failure by them to adequately protect the information of borrowers and investors, to comply with applicable laws and regulations or to otherwise meet required quality and service standards could harm our reputation. Furthermore, any negative development in the online consumer finance marketplace industry, such as bankruptcies or failures of other consumer finance marketplaces, and especially a large number of such bankruptcies or failures, or negative perception of the industry as a whole, such as that arises from any failure of other consumer finance marketplaces to detect or prevent money laundering or other illegal activities, even if factually incorrect or based on isolated incidents, could compromise our image, undermine the trust and credibility we have established and impose a negative impact on our ability to attract new borrowers and investors. Negative developments in the online consumer finance marketplace industry, such as widespread borrower defaults, fraudulent behavior and/or the closure of other online consumer finance marketplaces, may also lead to tightened regulatory scrutiny of the sector and limit the scope of permissible business activities that may be conducted by online consumer finance marketplaces like us. For example, incidents of inappropriate conduct by a number of online lending information intermediaries in connection with loans made to college students led to the outright regulatory prohibition in May 2017 of all new loans to college students made through platforms operated by online lending information intermediaries. If any of the foregoing takes place, our business and results of operations could be materially and adversely affected.

We may not be able to maintain profitability in the future.

Although we had net income of RMB1,116.4 million, RMB1,371.8 million and RMB966.6 million (US$140.6 million) in 2016, 2017 and 2018, respectively, and retained earnings of RMB1,177.1 million, RMB1,835.1 million and RMB3,810.7 million (US$554.2 million) as of December 31, 2016, 2017 and 2018, respectively, we cannot assure you that we will be able to continue to generate net income or will have retained earnings in the future. We anticipate that our operating expenses will increase in the foreseeable future as we seek to continue to grow our business, attract borrowers, investors and partners and further enhance and develop our loan products and platform. These efforts may prove more expensive than we currently anticipate, and we may not succeed in increasing our revenue sufficiently to offset these higher expenses. There are other factors that could negatively affect our financial condition. For example, the default rates of the loans facilitated through our platform may be higher than expected, which may lead to lower than expected net revenues. Furthermore, we have adopted share incentive plans in September 2015 and July 2017, and we may grant equity-based awards to eligible participants from time to time under the plan, which will result in share-based compensation expenses to us. As a result of the foregoing and other factors, our net revenue growth may slow, our net income margins may decline or we may incur additional net losses in the future and may not be able to maintain profitability on a quarterly or annual basis. In addition, our net revenue growth rate will likely decline as our net revenue grows to higher levels.

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

Our quarterly results of operations, including the levels of our net revenues, expenses, net (loss)/income and other key metrics, may vary significantly in the future due to a variety of factors, some of which are outside of our control, and period-to-period comparisons of our operating results may not be meaningful, especially given our limited operating history. Accordingly, the results for any one quarter are not necessarily an indication of future performance. Fluctuations in quarterly results may adversely affect the price of our ADSs. Factors that may cause fluctuations in our quarterly financial results include:

- our ability to attract new borrowers and investors and maintain relationships with existing borrowers and investors;
- loan volumes and the channels through which borrowers and investors are sourced, including the relative mix of online and offline channels;
- changes in our product mix and introduction of new loan products;
- the amount and timing of operating expenses related to acquiring borrowers and investors such as the amount of referral fee CreditEase charges us for borrower acquisition, and the maintenance and expansion of our business, operations and infrastructure;
- promulgation of new rules and regulations applicable to, or heightened regulatory scrutiny of, the online lending information intermediary industry;
- our decision to manage loan volume growth during the period;
- network outages or security breaches;
- general economic, industry and market conditions;
- our emphasis on borrower and investor experience instead of near-term growth; and
- the timing of expenses related to the development or acquisition of technologies or businesses.

In addition, we experience seasonality in our business, reflecting seasonal fluctuations in internet usage and traditional personal consumption patterns, as our individual borrowers typically use their borrowing proceeds to finance their personal consumption needs. For example, we generally experience lower transaction value on our online consumer finance marketplace during national holidays in China, particularly during the Chinese New Year holiday season in the first quarter of each year. Our results of operations could be affected by such seasonality in the future.

Failure to manage our liquidity and cash flows may materially and adversely affect our financial condition and results of operations.

In 2018, we had a negative cash flow of RMB820.2 million (US$119.3 million) from operating activities, primarily due to a decrease in liabilities from quality assurance program and guarantee of RMB2,784.0 million (US$404.9 million), partially offset by a few cash in-flow items. See "Item 5. Operating and Financial Review and Prospects—B. Liquidity and Capital Resources—Operating Activities." Going forward, our ability to collect fees from customers, in particular transaction fees from borrowers, will continue to affect our liquidity and cash flow condition. Inability to collect payments from customers in a timely and sufficient manner may adversely affect our liquidity, financial condition and results of operations. In addition, given the evolving regulatory environment, regulatory authorities may in the future require us to make a risk reserve deposit in a restricted bank account, similar to the requirement currently applicable to traditional financial institutions. If such requirement were to be imposed on us, our liquidity, financial condition and results of operations may be materially and adversely affected.

Our reputation may be harmed if information supplied by borrowers is inaccurate, misleading or incomplete, including if the borrowers use the loan proceeds for purposes other than as originally provided.

Borrowers supply a variety of information that is included in the loan listings on our marketplace. We do not verify all the information we receive from borrowers, and such information may be inaccurate or incomplete. For example, we often do not verify a borrower's home ownership status or intended use of loan proceeds, and the borrower may use loan proceeds for other purposes with increased risk than as originally provided. In addition, as online lending information intermediaries are prohibited from facilitating loans to be used for high-risk activities such as investment in stocks, over-the-counter financing, future contracts, structures products and other derivative products or as the down payment for the purchase of residential real estate, we could be found to have violated applicable laws, rules or regulations if any of the borrowers use the loan proceeds for any such prohibited purpose, albeit inconsistent to what such borrower has previously disclosed to us. Moreover, investors do not, and will not, have access to detailed financial information about borrowers. If investors invest in loans through our platform based on information supplied by borrowers that is inaccurate, misleading or incomplete, those investors may not receive their expected returns and our reputation may be harmed. Moreover, inaccurate, misleading or incomplete borrower information could also potentially subject us to liability as an intermediary under the PRC Contract Law. See "Item 4. Information on the Company—B. Business Overview—Regulation—Regulations Relating to Online Lending Information Intermediary—Regulations on Loans between Individuals" below.

Fraudulent activity on our marketplace could negatively impact our operating results, brand and reputation and cause the use of our loan products and services to decrease.

We are subject to the risk of fraudulent activity both on our marketplace and associated with borrowers, investors and third parties handling borrower and investor information. For example, we detected an organized fraud incident concerning our FastTrack loan products in July 2016. After uncovering the fraud incident, we had suspended the offering of the FastTrack loan products until late July 2016 when we implemented more stringent requirements aiming to prevent similar type of fraud incidents. Our resources, technologies and fraud detection tools may be insufficient to accurately detect and prevent fraud. In addition, our anti-fraud and verification processes for borrowers from offline channels and online channels may differ, and such processes with respect to borrower from online channels may not be as extensive as those from offline channels. If we increase the proportion of loans generated from our online channels as opposed to our offline channels, we may experience an increase in fraudulent activity on our platform. Significant increases in fraudulent activity could negatively impact our brand and reputation, reduce the volume of loan transactions facilitated through our platform and lead us to take additional steps to reduce fraud risk, which would increase our costs. High profile fraudulent activity could even lead to regulatory intervention, and may divert our management's attention and cause us to incur additional expenses and costs. If any of the foregoing were to occur, our results of operations and financial condition would be materially and adversely affected.

Failure to maintain successful strategic relationships with partners may have adverse impact on our future success.

We anticipate that we will continue to leverage our strategic relationships with existing partners in China's online consumer finance marketplace industry to grow our business while we will also pursue new relationships with additional partners such as traditional financial institutions and merchants in more sectors. For example, in the future, we may partner with traditional financial institutions to combine the efficiency advantages of online consumer finance marketplaces with the low funding costs of traditional financial institutions. Identifying, negotiating and documenting relationships with partners requires significant time and resources as does integrating third-party data and services into our system. Our current agreements with partners often do not prohibit them from working with our competitors or from offering competing services. Our competitors may be effective in providing incentives to our partners to favor their products or services, which may in turn reduce the volume of loans facilitated through our marketplace. Certain types of partners may devote more resources to support their own competing businesses. In addition, these partners may not perform as expected under our agreements with them, and we may have disagreements or disputes with such partners, which could adversely affect our brand and reputation. If we cannot successfully enter into and maintain effective strategic relationships with business partners, our business will be harmed.

Misconduct, errors and failure to function by our employees and third-party service providers could harm our business and reputation.

We are exposed to many types of operational risks, including the risk of misconduct and errors by our employees and third-party service providers. Our business depends on our employees and third-party service providers to interact with potential borrowers and investors, process large numbers of transactions and support the loan collection process, all of which involve the use and disclosure of personal information. We could be materially adversely affected if transactions were redirected, misappropriated or otherwise improperly executed, if personal information was disclosed to unintended recipients or if an operational breakdown or failure in the processing of transactions occurred, whether as a result of human error, purposeful sabotage or fraudulent manipulation of our operations or systems. In addition, the manner in which we store and use certain personal information and interact with borrowers and investors through our marketplace is governed by various PRC laws. It is not always possible to identify and deter misconduct or errors by employees or third-party service providers, and the precautions we take to detect and prevent this activity may not be effective in controlling unknown or unmanaged risks or losses. If any of our employees or third-party service providers take, convert or misuse funds, documents or data or fail to follow protocol when interacting with borrowers and investors, we could be liable for damages and subject to regulatory actions and penalties. We could also be perceived to have facilitated or participated in the illegal misappropriation of funds, documents or data, or the failure to follow protocol, and therefore be subject to civil or criminal liability. In addition, we currently rely on CreditEase and in the future may continue to rely on CreditEase or other third-party service providers for loan collection services. Aggressive practices or misconduct by any of our third-party service providers, including CreditEase, in the course of collecting loans could damage our reputation.

Furthermore, as we rely on certain third-party service providers, such as third-party payment platforms and custody and settlement service providers, to conduct our business, if these third-party service providers failed to function properly, we cannot assure you that we would be able to find an alternative in a timely and cost-efficient manner or at all. Any of these occurrences could result in our diminished ability to operate our business, potential liability to borrowers and investors, inability to attract borrowers and investors, reputational damage, regulatory intervention and financial harm, which could negatively impact our business, financial condition and results of operations.

Fluctuations in interest rates could negatively affect transaction volume.

All loans facilitated through our marketplace are issued with fixed interest rates. If interest rates rise, investors who have already committed capital may lose the opportunity to take advantage of the higher rates. If interest rates decrease after a loan is made, borrowers through our platform may prepay their loans to take advantage of the lower rates. Investors through our platform would lose the opportunity to collect the above-market interest rates payable on the prepaid loans and might delay or reduce future loan investments. As a result, fluctuations in the interest rate environment may discourage investors and borrowers from participating in our marketplace, which may adversely affect our business.

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

Any prolonged slowdown in the Chinese or global economy may have a negative impact on our business, results of operations and financial condition. In particular, general economic factors and conditions in China or worldwide, including the general interest rate environment and unemployment rates, may affect borrower willingness to seek loans and investor ability and desire to invest in loans. Economic conditions in China are sensitive to global economic conditions. The global financial markets have experienced significant disruptions since 2008 and the United States, Europe and other economies have experienced periods of recession. The recovery from the lows of 2008 and 2009 has been uneven and there are new challenges, including the escalation of the European sovereign debt crisis from 2011, the end of quantitative easing by the U.S. Federal Reserve, the economic slowdown in the Eurozone in 2014 and the expected exit of the United Kingdom from the European Union. The Chinese economy has slowed down since 2012 and such slowdown may continue. There is considerable uncertainty over the long-term effects of the expansionary monetary and fiscal policies adopted by the central banks and financial authorities of some of the world's leading economies, including the United States and China. There have also been concerns over events in North Korea, the Middle East and Africa, which have resulted in volatility in financial and other markets. There have also been concerns about the economic effect of the tensions in the relationship between China and other countries, including the surrounding Asian countries. If the Chinese and global economic uncertainties persist, many of our investors may delay or reduce their investment in the loans facilitated through our platform. Adverse economic conditions could also reduce the number of qualified borrowers seeking loans on our platform, as well as their ability to make payments. Should any of these situations occur, the amount of loans facilitated through our platform and our net revenues will decline, and our business and financial condition will be negatively impacted. Additionally, continued turbulence in the international markets may adversely affect our ability to access the capital markets to meet liquidity needs.

We may need additional capital, and financing may not be available on terms acceptable to us, or at all.

As of December 31, 2016, 2017 and 2018, we had cash and cash equivalents of RMB968.2 million, RMB1,857.2 million and RMB2,028.7 million (US$295.1 million), respectively. Although we believe that our cash on hand and anticipated cash flows from operating activities will be sufficient to meet our anticipated working capital requirements and capital expenditures in the ordinary course of business for the next 12 months, we cannot assure you this will be the case. We may need additional cash resources in the future if we experience changes in business conditions or other developments. We may also need additional cash resources in the future if we find and wish to pursue opportunities for investment, acquisition, capital expenditure or similar actions. If we determine that our cash requirements exceed the amount of cash and cash equivalents we have on hand at the time, we may seek to issue equity or debt securities or obtain credit facilities. The issuance and sale of additional equity would result in further dilution to our shareholders. The incurrence of indebtedness would result in increased fixed obligations and could result in operating covenants that would restrict our operations. We cannot assure you that financing will be available in amounts or on terms acceptable to us, if at all.

Our ability to protect the confidential information of our borrowers and investors may be adversely affected by cyber-attacks, computer viruses, physical or electronic break-ins or similar disruptions.

Our platform collects, stores and processes certain personal and other sensitive data from our borrowers and investors, which makes it an attractive target and potentially vulnerable to cyber-attacks, computer viruses, physical or electronic break-ins or similar disruptions. Under the PRC Cyber Security Law, which took effect on June 1, 2017, we are required to formulate security management system and operational procedures, take measures to prevent acts that jeopardize cyber security such as computer virus, network attacks and network intrusion, and safeguard personal information, user information and business secrets. If we are deemed a critical information infrastructure under the Cyber Security Law, we will be subject to additional requirement regarding the construction, security protection, purchase of products and services, secrecy, localization of data, and annual evaluation of the infrastructure. While we have taken steps to protect the confidential information that we have access to, our security measures could be breached. Because techniques used to sabotage or obtain unauthorized access to systems change frequently and generally are not recognized until they are launched against a target, we may be unable to anticipate these techniques or to implement adequate preventative measures. Any accidental or willful security breaches or other unauthorized access to our platform could cause confidential borrower 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, adverse regulatory consequences, time-consuming and expensive litigation and negative publicity. If security measures are breached because of third-party action, employee error, malfeasance or otherwise, or if design flaws in our technology infrastructure are exposed and exploited, our relationships with borrowers and investors could be severely damaged, we could incur significant liability and our business and operations could be adversely affected.

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

We are subject to reporting obligations under the U.S. securities laws. Section 404 of the Sarbanes-Oxley Act of 2002 and related rules require that we include a report from management on the effectiveness of our internal control over financial reporting in our annual report on Form 20-F beginning with our annual report for the fiscal year ending December 31, 2018. Our management has concluded that our internal control over financial reporting was effective as of December 31, 2018. See "Item 15. Controls and Procedures."

In addition, once we cease to be an "emerging growth company" as such term is defined in the JOBS Act, our independent registered public accounting firm must attest to and report on the effectiveness of our internal control over financial reporting. In the future, our management may conclude that our internal control over financial reporting is not effective. Moreover, even if our management concludes that our internal control over financial reporting is effective, our independent registered public accounting firm, after conducting its own independent testing, may issue an adverse opinion audit report if it is not satisfied with our internal controls or the level at which our controls are documented, designed, operated or reviewed, or if it interprets the relevant requirements differently from us. In addition, 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 weaknesses and deficiencies in our internal control over financial reporting. In addition, if we fail to maintain the adequacy of our internal control over financial reporting, as these standards are modified, supplemented or amended from time to time, we may not be able to conclude on an ongoing basis that we have effective internal control over financial reporting in accordance with Section 404. If we fail to achieve and maintain an effective internal control environment, we could suffer material misstatements in our financial statements and fail to meet our reporting obligations, which would likely cause investors to lose confidence in our reported financial information. This could in turn limit our access to capital markets, harm our results of operations, and lead to a decline in the trading price of our 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 from prior periods.

Our operations depend on the performance of the internet infrastructure and fixed telecommunications networks in China.

Almost all access to the internet in China is maintained through state-owned telecommunication operators under the administrative control and regulatory supervision of the Ministry of Industry and Information Technology, or the MIIT. We primarily rely on a limited number of telecommunication service providers to provide us with data communications capacity through local telecommunications lines and internet data centers to host our servers. We have limited access to alternative networks or services in the event of disruptions, failures or other problems with China's internet infrastructure or the fixed telecommunications networks provided by telecommunication service providers. With the expansion of our business, we may be required to upgrade our technology and infrastructure to keep up with the increasing traffic on our platform. We cannot assure you that the internet infrastructure and the fixed telecommunications networks in China will be able to support the demands associated with the continued growth in internet usage.

In addition, we have no control over the costs of the services provided by telecommunication service providers. If the prices we pay for telecommunications and internet services rise significantly, our results of operations may be adversely affected. Furthermore, if internet access fees or other charges to internet users increase, our user traffic may decline and our business may be harmed.

Any significant disruption in service on our platform or in our computer systems, including events beyond our control, could prevent us from processing or posting loans on our marketplace, reduce the attractiveness of our marketplace and result in a loss of borrowers or investors.

In the event of a platform outage and physical data loss, our ability to perform our servicing obligations, process applications or make loans available on our marketplace would be materially and adversely affected. The satisfactory performance, reliability and availability of our platform and our underlying network infrastructure are critical to our operations, customer service, reputation and our ability to retain existing and attract new borrowers and investors. Much of our system hardware is hosted in a leased facility located in Beijing that is operated by our IT Staff. We also maintain a real-time backup system at a separate facility also located in Beijing. Our operations depend on our ability to protect our systems against damage or interruption from natural disasters, power or telecommunications failures, air quality issues, environmental conditions, computer viruses or attempts to harm our systems, criminal acts and similar events. If there is a lapse in service or damage to our leased Beijing facilities, we could experience interruptions in our service as well as delays and additional expense in arranging new facilities.

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

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

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

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

We regard our trademarks, domain names, know-how, proprietary technologies and similar intellectual property as critical to our success, and we rely on a combination of intellectual property laws and contractual arrangements, including confidentiality, invention assignment and non-compete agreements with our employees and others to protect our proprietary rights. As of the date of this annual report, we have obtained 240 registered trademarks and have made applications for 133 trademarks, all of which are pending with the Trademark Office of the National Intellectual Property Administration. As of the date of this annual report, a total of 44 trademarks have been transferred to us by CreditEase. In addition, we have also obtained a worldwide and royalty-free license from CreditEase to use certain of its trademarks. However, the trademark licenses granted by CreditEase to us have not been filed with the Trademark Office of the National Intellectual Property Administration. See "Item 4. Information on the Company—B. Business Overview—Intellectual Property" and "Item 4. Information on the Company—B. Business Overview—Regulation—Regulation on Intellectual Property Rights." We cannot assure you that any of our intellectual property rights would not be challenged, invalidated, circumvented or misappropriated, or such intellectual property will be sufficient to provide us with competitive advantages. In addition, because of the rapid pace of technological change in our industry, parts of our business rely on technologies developed or licensed by third parties, and we may not be able to obtain or continue to obtain licenses and technologies from these third parties on reasonable terms, or at all.

It is often difficult to register, maintain and enforce intellectual property rights in China. Statutory laws and regulations are subject to judicial interpretation and enforcement and may not be applied consistently due to the lack of clear guidance on statutory interpretation. Confidentiality, invention assignment and non-compete agreements may be breached by counterparties, and there may not be adequate remedies available to us for any such breach. Accordingly, we may not be able to effectively protect our intellectual property rights or to enforce our contractual rights in China. Preventing any unauthorized use of our intellectual property is difficult and costly and the steps we take may be inadequate to prevent the misappropriation of our intellectual property. In the event that we resort to litigation to enforce our intellectual property rights, such litigation could result in substantial costs and a diversion of our managerial and financial resources. We can provide no assurance that we will prevail in such litigation. In addition, our trade secrets may be leaked or otherwise become available to, or be independently discovered by, our competitors. To the extent that our employees or consultants use intellectual property owned by others in their work for us, disputes may arise as to the rights in related know-how and inventions. Any failure in protecting or enforcing our intellectual property rights could have a material adverse effect on our business, financial condition and results of operations.

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

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

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

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

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

Strategic investments or acquisitions will involve risks commonly encountered in business relationships, including:

- 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 loan products;
- difficulties in maintaining uniform standards, controls, procedures and policies within the combined organizations;
- difficulties in retaining relationships with customers, employees and suppliers 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;
- 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 loan products and services or that any new or enhanced loan products and services, if developed, will achieve market acceptance or prove to be profitable.

Acquisitions could expose us to significant business risks.

We have made and may continue to make strategic acquisitions that could, among other goals, complement our existing services, expand our customer base, improve user acquisition efficiency, lower operating costs and/or enhance technological capabilities. For example, on March 25, 2019, we entered into a set of definitive agreements with CreditEase regarding a business realignment between CreditEase and us. Pursuant to the definitive agreements, we will assume from CreditEase and its affiliates certain target businesses, including online wealth management targeting the mass affluent, unsecured and secured consumer lending, financial leasing, SME lending and other related services and businesses, as well as receive business consulting and other supports from CreditEase, for a total consideration of 106,917,947 newly issued ordinary shares of our company and RMB889 million cash, as may be adjusted in accordance with the pre-agreed mechanism, at the transaction closing. See "Item 4. Information on the Company—A. History and Development of the Company." The transactions contemplated under the definitive agreements are subject to certain closing conditions. We cannot assure you that we will be able to successfully complete these transactions as there remain uncertainties with respect to the fulfillment of such closing conditions.

While we believe the contemplated business realignment will enhance our market position as a leading comprehensive fintech platform, enable us to better leverage synergies between our existing businesses and the businesses we will assume from CreditEase and improve our overall operating efficiency, this transaction, as well as other acquisitions, could expose us to business risks, including but not limited to financial and operational risks.

Financial risks from the contemplated business realignment and other acquisitions include, among other things, (a) the use of our cash resources; (b) paying a price that exceeds the future value realized from the acquisition; (c) potential known and unknown liabilities of the acquired businesses; (d) the incurrence of additional debt; (e) the dilutive effect of the issuance of any additional equity securities by our company as consideration for, or to finance, the acquisition; (f) the financial impact of incorrectly valuing goodwill and other intangible assets involved in any acquisitions; (g) potential future impairment write-downs of goodwill and indefinite-life intangibles and the amortization of other intangible assets; and (h) possible adverse tax and accounting effects.

In addition, there are possible operational risks, including, among other things, difficulty in assimilating and integrating the operations, services, products, technology, information systems and personnel of acquired companies; losing key personnel of acquired entities; compliance with additional laws relating to the acquired business and regulatory risks associated with the past violation of law by the acquired businesses. We may incur significant acquisition, administrative and other costs in connection with these transactions, including costs related to the integration of acquired businesses. Acquisitions could expose us to significant integration risks and increased organizational complexity, including more complex and costly accounting processes and internal controls, which may challenge management and may adversely impact the realization of an increased contribution from such acquisitions. In addition, while we execute acquisitions and related integration activities, our attention may possibly be diverted from our ongoing operations, which may have a negative impact on our business. Failure to adequately anticipate and address these risks could adversely affect our business and financial performance.

Although we performed due diligence investigations of the businesses and assets that we will assume, and will also do so for future acquisitions, there may be liabilities related to the acquired business or assets that we fail to, or are unable to, uncover during the due diligence investigation and for which we, as a successor owner, may be responsible. When feasible, we seek to minimize the impact of these types of potential liabilities by obtaining indemnities and warranties from the seller, which may in some instances be supported by price adjustment mechanism and/or deferring payment of a portion of the purchase price. However, these indemnities and warranties, if obtained, may not fully cover the liabilities because of their limited scope, amount or duration, the financial resources of the indemnitor or warrantor, or other reasons.

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

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

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

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

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

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

The economy in China has experienced increases in inflation and labor costs in recent years. As a result, average wages in the PRC are expected to continue to increase. In addition, we are required by PRC laws and regulations to pay various statutory employee benefits, including pension, housing fund, medical insurance, work-related injury insurance, unemployment insurance and maternity insurance to designated government agencies for the benefit of our employees. The relevant government agencies may examine whether an employer has made adequate payments to the statutory employee benefits, and those employers who fail to make adequate payments may be subject to late payment fees, fines and/or other penalties. We expect that our labor costs, including wages and employee benefits, will continue to increase. Unless we are able to control our labor costs or pass on these increased labor costs to our users by increasing the fees of our services, our financial condition and results of operations may be adversely affected.

If we cannot maintain our corporate culture as we grow, we could lose the innovation, collaboration and focus that contribute to our business.

We believe that a critical component of our success is our corporate culture, which we believe fosters innovation, encourages teamwork and cultivates creativity. As we develop the infrastructure of a public company and continue to grow, we may find it difficult to maintain these valuable aspects of our corporate culture. Any failure to preserve our culture could negatively impact our future success, including our ability to attract and retain employees, encourage innovation and teamwork and effectively focus on and pursue our corporate objectives.

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

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

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

We do not have any business insurance coverage.

Insurance companies in China currently do not offer as extensive an array of insurance products as insurance companies in more developed economies. Currently, we do not have any business liability or disruption insurance to cover our operations. We have determined that the costs of insuring for these risks and the difficulties associated with acquiring such insurance on commercially reasonable terms make it impractical for us to have such insurance. Any uninsured business disruptions may result in our incurring substantial costs and the diversion of resources, which could have an adverse effect on our results of operations and financial condition.

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

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

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

Risks Related to Our Carve-out from CreditEase and Our Relationship with CreditEase

We rely on our parent company, CreditEase, for the successful operation of our business.

We have limited experience operating as a stand-alone company. We commenced our online consumer finance marketplace business in March 2012, and Yirendai Ltd. was incorporated in 2014 in the Cayman Islands as a wholly owned subsidiary of CreditEase. Founded in 2006 by our executive chairman, Mr. Ning Tang, CreditEase is a large financial services company focusing on providing inclusive finance and wealth management products and services in China. Inclusive finance focuses on providing access to affordable and responsible financing solutions to those in China who are often unable to gain such access. We completed our carve-out from CreditEase in the first quarter of 2015. Historically, CreditEase has provided us with origination and servicing, financial, administrative, sales and marketing, risk management, human resources and legal services, and also with the services of a number of its executives and employees. Although we have become a stand-alone company, we expect CreditEase to continue to provide us with certain support services during a transitional period. We have also relied on CreditEase for the successful operation of our online consumer finance marketplace. In the future, we expect to continue to rely on CreditEase for various aspects of our operations, such as risk management, offline acquisition of new borrowers and investors and outstanding loan collection services. Although we have entered into a series of agreements with CreditEase relating to our ongoing business cooperation and service arrangements with CreditEase, we cannot assure you that we will continue to receive the same level of support from CreditEase after we become a stand-alone company. The cost of services which CreditEase provides to us may from time to time increase based on commercial negotiations between CreditEase and us. For example, pursuant to our contractual agreement with CreditEase, the fee rate for the offline borrower acquisition services which CreditEase provides to us has recently increased from 5% to 6% of the loans facilitated to borrowers referred by CreditEase for the three years starting 2016. After that, the fee rate may be adjusted on a yearly basis based on commercial negotiation, and after taking into consideration the costs to CreditEase for providing such services and with reference to market rates. Furthermore, borrowers, investors and business partners may react negatively to our carve-out from CreditEase. As such, our carve-out from CreditEase may materially and adversely affect our business. In addition, as a result of our carve-out from CreditEase, our historical financial performance may not be indicative of our future performances as a stand-alone public company.

Our financial information included in this annual report may not be representative of our financial condition and results of operations if we had been operating as a stand-alone company.

Prior to the establishment of Yirendai Ltd., our online consumer finance marketplace business was carried out by various subsidiaries and variable interest entities of CreditEase. We completed our carve-out from CreditEase in the first quarter of 2015, and all of our online consumer finance marketplace business is now carried out by our own subsidiaries and consolidated variable interest entities. Since we and the subsidiaries and variable interest entities of CreditEase that operated our online marketplace business are under common control of CreditEase, our consolidated financial statements include the assets, liabilities, revenues, expenses and cash flows that were directly attributable to our business for all periods presented. In particular, our consolidated balance sheets include those assets and liabilities that are specifically identifiable to our business; and our consolidated statements of operations include all costs and expenses related to us, including costs and expenses allocated from CreditEase to us. Allocations from CreditEase, including amounts allocated to origination and servicing expenses, sales and marketing expenses and general and administrative expenses, were made using a proportional cost allocation method and based on headcount or transaction volume for the provision of services attributable to us. We made numerous estimates, assumptions and allocations in our historical financial statements because we did not operate as a stand-alone company prior to our carve-out from CreditEase in the first quarter of 2015. Although our management believes that the assumptions underlying our historical financial statements and the above allocations are reasonable, our historical financial statements may not necessarily reflect our results of operations, financial position and cash flows as if we had operated as a stand-alone company during those periods. See "Item 7. Major Shareholders and Related Party Transactions—B. Related Party Transactions" for our arrangements with CreditEase and "Item 5. Operating and Financial Review and Prospects" and the notes to our consolidated financial statements included elsewhere in this annual report for our historical cost allocation. In addition, upon becoming a stand-alone company, we have established our own financial, administrative and other support systems to replace CreditEase's systems, the cost of which may have been significantly different from cost allocation with CreditEase for the same services. Therefore, you should not view our historical results as indicators of our future performance.

Any negative development in CreditEase's market position, brand recognition or financial condition may materially and adversely affect our marketing efforts and the strength of our brand.

Prior to our initial public offering, we were a wholly-owned subsidiary of CreditEase, and after our initial public offering, CreditEase remains as our controlling shareholder. We have benefited significantly and expect to continue to benefit significantly from our association with CreditEase in marketing our brand and our marketplace. Referrals from CreditEase's nationwide service network currently accounts for a majority of our borrowers and loan volume. In 2016, 2017 and 2018, 42.5%, 27.1% and 28.2% of our borrowers were acquired through referrals from CreditEase, respectively, contributing 62.0%, 45.6% and 41.1% of the total amount of loans facilitated through our marketplace, respectively. If user referrals through CreditEase decrease or become less effective, the quality of the borrowers referred by CreditEase does not meet our borrower qualification standards, or if we are unable to continue to use CreditEase as a user acquisition channel for any reason, our business and results of operations may be adversely and materially affected. There can be no assurance that we would be able to find other user acquisition channels to replace referrals from CreditEase on commercially reasonable terms, or at all. We also benefit from CreditEase's strong brand recognition in China, which provides us credibility and a broad marketing reach. If CreditEase loses its market position, the effectiveness of our marketing efforts through our association with CreditEase may be materially and adversely affected. In addition, any negative publicity associated with CreditEase or any negative development in respect of CreditEase's market position, financial condition, or in terms of compliance with legal or regulatory requirements in China, will likely have an adverse impact on the effectiveness of our marketing as well as our reputation and brand.

Our agreements with CreditEase may be less favorable to us than similar agreements negotiated between unaffiliated third parties. In particular, our amended and restated non-competition agreement with CreditEase limits the scope of business that we are allowed to conduct.

We have entered into a series of agreements with CreditEase and the terms of such agreements may be less favorable to us than would be the case if they were negotiated with unaffiliated third parties. In particular, under our amended and restated non-competition agreement with CreditEase, we agree during the non-competition period, which will end on the earliest of (i) the first anniversary of the control ending date, (ii) the date on which the ADSs representing ordinary shares of Yirendai cease to be listed on Nasdaq or the New York Stock Exchange (except for temporary suspension of trading of the ADSs), and (iii) March 25, 2034, the fifteenth anniversary of March 25, 2019, the date of the amended and restated non-competition agreement, not to, subject to certain exceptions, compete with CreditEase in the business or any business that is of the same nature as the business currently conducted by CreditEase, in each case unless as may otherwise be approved in writing by CreditEase. The control ending date refers to the earlier of (i) the first date when CreditEase no longer owns at least 20% of the voting power of our then outstanding securities or (ii) the first date when CreditEase ceases to be the largest beneficial owner of our then outstanding voting securities. Such contractual limitations may significantly affect our ability to diversify our revenue sources and may materially and adversely impact our business and prospects should the growth of online consumer finance marketplace industry in China slow down. In addition, pursuant to our master transaction agreement with CreditEase, we agree to indemnify CreditEase for liabilities arising from litigation and other contingencies related to our business and assumed these liabilities as part of our carve-out from CreditEase. The allocation of assets and liabilities between CreditEase and our company may not reflect the allocation that would have been reached by two unaffiliated parties. Moreover, so long as CreditEase continues to control us, we may not be able to bring a legal claim against CreditEase in the event of contractual breach, notwithstanding our contractual rights under the agreements described above and other inter-company agreements entered into from time to time.

CreditEase will control the outcome of shareholder actions in our company.

As of March 31, 2019, CreditEase held 81.3% of our outstanding ordinary shares and total voting power. We are currently doing a business realignment with CreditEase. See "Item 4. Information on the Company—A. History and Development of the Company" for more details. Upon the completion of the business realignment between CreditEase and us, CreditEase's shareholding in our company will further increase to 90.0%, assuming no adjustment of the consideration to be made by our company for acquiring target businesses from CreditEase. CreditEase's voting power gives it the power to control certain actions that require shareholder approval under Cayman Islands law, our current memorandum and articles of association and NYSE requirements, including approval of mergers and other business combinations, changes to our memorandum and articles of association, the number of shares available for issuance under any share incentive plans, and the issuance of significant amounts of our ordinary shares in private placements.

CreditEase's voting control may cause transactions that might not be beneficial to the holders of our ADSs to occur and may prevent transactions that would be beneficial to the holders of our ADSs. For example, CreditEase's voting control may prevent a transaction involving a change of control of us, including transactions in which a holder of our ADSs might otherwise receive a premium for the securities held by such holder over the then-current market price. In addition, CreditEase is not prohibited from selling a controlling interest in us to a third party and may do so without the approval of the holders of our ADSs and without providing for a purchase of the ADSs. If CreditEase is acquired or otherwise undergoes a change of control, any acquirer or successor will be entitled to exercise the voting control and contractual rights of CreditEase, and may do so in a manner that could vary significantly from that of CreditEase. In addition, the significant concentration of share ownership may adversely affect the trading price of the ADSs due to investors' perception that conflicts of interest may exist or arise. See "—We may have conflicts of interest with CreditEase and, because of CreditEase's controlling ownership interest in our company, we may not be able to resolve such conflicts on favorable terms for us."

We may have conflicts of interest with CreditEase and, because of CreditEase's controlling ownership interest in our company, we may not be able to resolve such conflicts on favorable terms for us.

Conflicts of interest may arise between CreditEase and us in a number of areas relating to our ongoing relationships. Potential conflicts of interest that we have identified include the following:

- *Non-competition arrangements with CreditEase*. We and CreditEase entered into an amended and restated non-competition agreement in March 2019, under which we agree not to compete with each other's core business. See "Item 7. Major Shareholders and Related Party Transactions —B. Related Party Transactions—Carve-out Agreements with CreditEase—Amended and Restated Non-Competition Agreement."

- *Employee recruiting and retention*. Because both CreditEase and we are engaged in consumer finance related businesses in China, we may compete with CreditEase in the hiring of new employees, in particular with respect to risk management related matters. We have a non-solicitation arrangement with CreditEase that restricts us and CreditEase from hiring any of each other's employees.

- *Our board members or executive officers may have conflicts of interest*. Our executive chairman, Ning Tang, and two directors, Quan Zhou and Tina Ju, are members of the board of directors of CreditEase. Ning Tang will also become our chief executive office upon the closing of the business realignment contemplated by the series of agreements entered into by us and CreditEase in March 2019. See "Item 4. Information on the Company—A. History and Development of the Company." In addition, we have granted and may in the future continue to grant incentive share compensation to CreditEase's employees and consultants. These relationships could create, or appear to create, conflicts of interest when these persons are faced with decisions with potentially different implications for CreditEase and us.

- *Sale of shares in our company*. CreditEase may decide to sell all or a portion of our shares that it holds to a third party, including to one of our competitors, thereby giving that third party substantial influence over our business and our affairs. Such a sale could be contrary to the interests of our employees or our other shareholders.

- *Allocation of business opportunities*. Under our amended and restated non-compete agreement with CreditEase, we agree not to compete with CreditEase in the businesses conducted by CreditEase. There may arise other business opportunities that both we and CreditEase find attractive and which would complement our respective businesses. CreditEase may decide to take such opportunities itself, which would prevent us from taking advantage of those opportunities.

- *Developing business relationships with CreditEase's competitors*. So long as CreditEase remains as our controlling shareholder, we may be limited in our ability to do business with its competitors. This may limit our ability to market our services for the best interests of our company and our other shareholders.

Although our company has become a stand-alone public company, we expect to operate, for as long as CreditEase is our controlling shareholder, as an affiliate of CreditEase. CreditEase may from time to time make strategic decisions that it believes are in the best interests of its business as a whole, including our company. These decisions may be different from the decisions that we would have made on our own. For example, we may be required to pay CreditEase for services that we currently enjoy free of charge from CreditEase, such as the information and data sharing. See "Item 7. Major Shareholders and Related Party Transactions—B. Related Party Transactions—Carve-out Agreements with CreditEase—Amended and Restated Intellectual Property License Agreement." CreditEase's decisions with respect to us or our business may be resolved in ways that favor CreditEase and therefore CreditEase's own shareholders, which may not coincide with the interests of our other shareholders. We have an audit committee, consisting of three independent directors, to review and approve all proposed related party transactions, including any transactions between us and CreditEase. However, we may not be able to resolve any potential conflicts, and even if we do so, the resolution may be less favorable to us than if we were dealing with a non-controlling shareholder. Even if both parties seek to transact business on terms intended to approximate those that could have been achieved between unaffiliated parties, this may not succeed in practice. Furthermore, if CreditEase sought to alter or violate the terms of the amended and restated non-competition agreement with us in order to compete with us in the online consumer finance marketplace or otherwise, such conflicts may not be resolved in our favor in light of CreditEase's controlling interest in us. If CreditEase were to compete with us, our business, financial condition, results of operations and prospects could be materially and adversely affected.

Our executive chairman, Mr. Ning Tang, has considerable influence over us and our corporate matters.

Our executive chairman, Mr. Ning Tang, has considerable influence over us and our corporate matters. Mr. Tang beneficially owns 43.4% of the total outstanding shares of CreditEase, which is our controlling shareholder, as of March 31, 2019. Moreover, as Mr. Tang, as a director of CreditEase, currently holds three out of the five votes of CreditEase's board of directors, he therefore controls the decision making of CreditEase and indirectly has considerable influence over us, our corporate matters and matters requiring shareholder approval, such as electing directors and approving material mergers, acquisitions or other business combination transactions. This concentrated control will limit the ability of the holders of our ordinary shares and our ADSs to influence corporate matters and could also discourage others from pursuing any potential merger, takeover or other change of control transactions, which could have the effect of depriving the holders of our ordinary shares and our ADSs of the opportunity to sell their shares at a premium over the prevailing market price.

We are a "controlled company" within the meaning of the NYSE Listed Company Manual and, as a result, will rely on exemptions from certain corporate governance requirements that provide protection to shareholders of other companies.

We are a "controlled company" as defined under the NYSE Listed Company Manual because CreditEase beneficially owns more than 50% of our outstanding ordinary shares. For so long as we remain a controlled company under that definition, we are permitted to elect to rely, and will rely, on certain exemptions from corporate governance rules, including an exemption from the rule that a majority of our board of directors must be independent directors. As a result, you will not have the same protection afforded to shareholders of companies that are subject to these corporate governance requirements.

Risks Related to Our Corporate Structure

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

Foreign ownership of internet-based businesses, such as distribution of online information, is subject to restrictions under current PRC laws and regulations. For example, foreign investors are not allowed to own more than 50% of the equity interests in a value-added telecommunication service provider (except e-commerce) and any such foreign investor must have experience in providing value-added telecommunications services overseas and maintain a good track record in accordance with the Guidance Catalog of Industries for Foreign Investment promulgated in 2007, as amended, and other applicable laws and regulations.

We are a Cayman Islands company and our PRC subsidiaries are considered foreign-invested enterprises. To comply with PRC laws and regulations, we conduct our operations in China through a series of contractual arrangements entered into among Yi Ren Heng Ye Technology Development (Beijing) Co., Ltd., or Heng Ye, Heng Cheng Technology Development (Beijing) Co., Ltd., or Heng Cheng, and the shareholders of Heng Cheng, a series of contractual arrangements entered into among Chongqing Heng Yu Da Technology Co., Ltd., or Heng Yu Da, Yiren Financial Information Service (Beijing) Co., Ltd., or Yi Ren Wealth Management, and the shareholders of Yi Ren Wealth Management, a series of contractual arrangements entered into among Heng Ye, Pu Hui and the shareholders of Pu Hui, and a series of contractual arrangements entered into among Heng Ye, CreditEase Huimin Investment Management (Beijing) Co., Ltd, or Hui Min, and the shareholders of Hui Min. As a result of these contractual arrangements, we exert control over Heng Cheng, Yi Ren Wealth Management, Pu Hui and Hui Min and consolidate their operating results in our financial statements under U.S. GAAP. For a detailed description of these contractual arrangements, see "Item 4. Information on the Company—C. Corporate History and Structure."

In the opinion of our PRC counsel, Han Kun Law Offices, our current ownership structure, the ownership structure of Heng Ye and Heng Yu Da, our PRC subsidiaries, and Heng Cheng, Yi Ren Wealth Management, Pu Hui and Hui Min, our consolidated variable interest entities, the contractual arrangements among Heng Ye, Heng Cheng and the shareholders of Heng Cheng, the contractual arrangements among Heng Yu Da, Yi Ren Wealth Management and the shareholders of Yi Ren Wealth Management, the contractual arrangements among Heng Ye, Pu Hui and the shareholders of Pu Hui, and the contractual arrangements among Heng Ye, Hui Min and the shareholders of Hui Min are not in violation of existing PRC laws, rules and regulations; and these contractual arrangements are valid, binding and enforceable in accordance with their terms and applicable PRC laws and regulations currently in effect. However, Han Kun Law Offices has also advised us that there are substantial uncertainties regarding the interpretation and application of current or future PRC laws and regulations and there can be no assurance that the PRC government will ultimately take a view that is consistent with the opinion of our PRC counsel.

It is uncertain whether any new PRC laws, rules or regulations relating to variable interest entity structures will be adopted or if adopted, what they would provide. See "—Uncertainties exist with respect to the interpretation and implementation of the newly enacted PRC Foreign Investment law and how it may impact the viability of our current corporate structure, corporate governance and business operations" below. If the ownership structure, contractual arrangements and business of our company, Heng Ye, Heng Yu Da, Heng Cheng, Yi Ren Wealth Management, Pu Hui or Hui Min are found to be in violation of any existing or future PRC laws or regulations, or we fail to obtain or maintain any of the required permits or approvals, the relevant governmental authorities would have broad discretion in dealing with such violation, including levying fines, confiscating our income or the income of Heng Ye, Heng Yu Da, Heng Cheng, Yi Ren Wealth Management, Pu Hui or Hui Min, revoking the business licenses or operating licenses of Heng Ye, Heng Yu Da, Heng Cheng, Yi Ren Wealth Management, Pu Hui or Hui Min, shutting down our servers or blocking our online platform, discontinuing or placing restrictions or onerous conditions on our operations, requiring us to undergo a costly and disruptive restructuring, restricting or prohibiting our use of proceeds from our initial public offering to finance our business and operations in China, and taking other regulatory or enforcement actions that could be harmful to our business. Any of these actions could cause significant disruption to our business operations and severely damage our reputation, which would in turn materially and adversely affect our business, financial condition and results of operations. If any of these occurrences results in our inability to direct the activities of our consolidated variable interest entities, and/or our failure to receive economic benefits from our consolidated variable interest entities, we may not be able to consolidate their results into our consolidated financial statements in accordance with U.S. GAAP.

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

We have relied and expect to continue to rely on contractual arrangements with our consolidated variable interest entities and their respective shareholders to operate our www.yirendai.com website operated by Heng Cheng, our wealth management website and mobile application operated by Yi Ren Wealth Management, which serve as an online portal for investment products, including the loan products offered on our platform as well as other investment products offered by third parties, our website www.yxpuhui.com operated by Pu Hui, and our www.creditease.cn website operated by Hui Min. For a description of these contractual arrangements, see "Item 4. Information on the Company—C. Organization Structure." These contractual arrangements may not be as effective as direct ownership in providing us with control over our consolidated variable interest entities. For example, Heng Cheng, Yi Ren Wealth Management, Pu Hui, Hui Min and their respective shareholders could breach their contractual arrangements with us by, among other things, failing to conduct their operations, including maintaining our website and using the domain names and trademarks, in an acceptable manner or taking other actions that are detrimental to our interests.

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

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

If Heng Cheng, Yi Ren Wealth Management, Pu Hui and Hui Min, our consolidated variable interest entities, or their respective shareholders fail to perform their respective obligations under the contractual arrangements, we may have to incur substantial costs and expend additional resources to enforce such arrangements. We may also have to rely on legal remedies under PRC laws, including seeking specific performance or injunctive relief, and claiming damages, which we cannot assure you will be effective under PRC laws. For example, if the shareholders of such consolidated variable interest entities were to refuse to transfer their equity interest in such consolidated variable interest entities, as the case may be, to us or our designee if we exercise the purchase option pursuant to these contractual arrangements, or if they were otherwise to act in bad faith toward us, then we may have to take legal actions to compel them to perform their contractual obligations.

All the agreements under our contractual arrangements are governed by PRC laws and provide for the resolution of disputes through arbitration in China. Accordingly, these contracts would be interpreted in accordance with PRC laws and any disputes would be resolved in accordance with PRC legal procedures. The legal system in the PRC is not as developed as in some other jurisdictions, such as the United States. As a result, uncertainties in the PRC legal system could limit our ability to enforce these contractual arrangements. Meanwhile, there are very few precedents and little formal guidance as to how contractual arrangements in the context of a consolidated variable interest entity should be interpreted or enforced under PRC laws. There remain significant uncertainties regarding the ultimate outcome of such arbitration should legal action become necessary. In addition, under PRC laws, rulings by arbitrators are final and parties cannot appeal arbitration results in court unless such rulings are revoked or determined unenforceable by a competent court. If the losing parties fail to carry out the arbitration awards within a prescribed time limit, the prevailing parties may only enforce the arbitration awards in PRC courts through arbitration award recognition proceedings, which would require additional expenses and delay. In the event that we are unable to enforce these contractual arrangements, or if we suffer significant delay or other obstacles in the process of enforcing these contractual arrangements, we may not be able to exert effective control over our consolidated variable interest entities, and our ability to conduct our business may be negatively affected. See "—Risks Related to Doing Business in China—Uncertainties in the interpretation and enforcement of Chinese laws and regulations could limit the legal protections available to you and us."

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

The equity interests of Heng Cheng, Yi Ren Wealth Management, Pu Hui and Hui Min, our consolidated variable interest entities, are held by Mr. Ning Tang, our founder and executive chairman, and three other individuals, Ms. Mei Zhao, Mr. Fanshun Kong and Ms. Yan Tian. Their interests in such consolidated variable interest entities may differ from the interests of our company as a whole. These shareholders may breach, or cause such consolidated variable interest entities to breach, the existing contractual arrangements we have with them and such consolidated variable interest entities, as the case may be, which would have a material adverse effect on our ability to effectively control such consolidated variable interest entities and receive economic benefits from such consolidated variable interest entities. For example, the shareholders may be able to cause our agreements with such consolidated variable interest entities to be performed in a manner adverse to us by, among other things, failing to remit payments due under the contractual arrangements to us on a timely basis. We cannot assure you that when conflicts of interest arise, any or all of these shareholders will act in the best interests of our company or such conflicts will be resolved in our favor.

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

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

Under applicable PRC laws and regulations, arrangements and transactions among related parties may be subject to audit or challenge by the PRC tax authorities within ten years after the taxable year when the transactions are conducted. The PRC Enterprise Income Tax Law requires every enterprise in China to submit its annual enterprise income tax return together with a report on transactions with its related parties to the relevant tax authorities. The tax authorities may impose reasonable adjustments on taxation if they have identified any related party transactions that are inconsistent with arm's length principles. We may face material and adverse tax consequences if the PRC tax authorities determine that (i) the contractual arrangements between Heng Ye, our wholly-owned subsidiary in China, Heng Cheng, our consolidated variable interest entity in China, and the shareholders of Heng Cheng, (ii) the contractual arrangements between Heng Yu Da, our wholly-owned subsidiary in China, Yi Ren Wealth Management, our consolidated variable interest entity in China, and the shareholders of Yi Ren Wealth Management, (iii) the contractual arrangements between Heng Ye, our wholly-owned subsidiary in China, Pu Hui, our consolidated variable interest entity in China, and the shareholders of Pu Hui, and (iv) the contractual arrangements between Heng Ye, our wholly-owned subsidiary in China, Hui Min, our consolidated variable interest entity in China, and the shareholders of Hui Min were not entered into on an arm's length basis in such a way as to result in an impermissible reduction in taxes under applicable PRC laws, rules and regulations, and adjust the income of Heng Cheng, Yi Ren Wealth Management, Pu Hui and Hui Min, our consolidated variable interest entities, in the form of a transfer pricing adjustment. A transfer pricing adjustment could, among other things, result in a reduction of expense deductions recorded by such consolidated variable interest entities for PRC tax purposes, which could in turn increase its tax liabilities without reducing the tax expenses of such consolidated variable interest entities. In addition, if Heng Ye or Heng Yu Da requests the shareholders of such consolidated variable interest entities, as the case may be, to transfer their equity interests in the such consolidated variable interest entities, as the case may be, at nominal or no value pursuant to these contractual arrangements, such transfer could be viewed as a gift and subject Heng Ye or Heng Yu Da to PRC income tax. Furthermore, the PRC tax authorities may impose late payment fees and other penalties on such consolidated variable interest entities for the adjusted but unpaid taxes according to the applicable regulations. Our financial position could be materially and adversely affected if our consolidated variable interest entities' tax liabilities increase or if they are required to pay late payment fees and other penalties.

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

Heng Cheng, Yi Ren Wealth Management, Pu Hui and Hui Min, our consolidated variable interest entities, hold certain assets that are material to the operation of our business. Under the contractual arrangements, our consolidated variable interest entities may not and their respective shareholders may not cause them to, in any manner, sell, transfer, mortgage or dispose of their assets or their legal or beneficial interests in the business without our prior consent. However, in the event the shareholders of such consolidated variable interest entities breach these contractual arrangements and voluntarily liquidate such consolidated variable interest entities, or any of such consolidated variable interest entities declares bankruptcy and all or part of their assets become subject to liens or rights of third-party creditors, or are otherwise disposed of without our consent, we may be unable to continue some or all of our business activities, which could materially and adversely affect our business, financial condition and results of operations. If our consolidated variable interest entities undergoes a voluntary or involuntary liquidation proceeding, independent third-party creditors may claim rights to some or all of these assets, thereby hindering our ability to operate our business, which could materially and adversely affect our business, financial condition and results of operations.

If the chops of Heng Ye and Heng Yu Da, our PRC subsidiaries, and our consolidated variable interest entities are not kept safely, are stolen or are used by unauthorized persons or for unauthorized purposes, the corporate governance of these entities could be severely and adversely compromised.

In China, a company chop or seal serves as the legal representation of the company towards third parties even when unaccompanied by a signature. Each legally registered company in China is required to maintain a company chop, which must be registered with the local Public Security Bureau. In addition to this mandatory company chop, companies may have several other chops which can be used for specific purposes. The chops of Heng Ye and Heng Yu Da, our PRC subsidiaries, and Heng Cheng, Yi Ren Wealth Management, Pu Hui and Hui Min, our consolidated variable interest entities, are generally held securely by personnel designated or approved by us in accordance with our internal control procedures. To the extent those chops are not kept safely, are stolen or are used by unauthorized persons or for unauthorized purposes, the corporate governance of these entities could be severely and adversely compromised and those corporate entities may be bound to abide by the terms of any documents so chopped, even if they were chopped by an individual who lacked the requisite power and authority to do so. In addition, if the chops are misused by unauthorized persons, we could experience disruption to our normal business operations. We may have to take corporate or legal action, which could involve significant time and resources to resolve while distracting management from our operations.

Risks Related to Doing Business in China

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

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

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

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

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 uniform and enforcement of these laws, regulations and rules involves uncertainties.

In particular, PRC laws and regulations concerning the online lending information intermediary service industry are developing and evolving. Although we have taken measures to comply with the laws and regulations that are applicable to our business operations, including the Guidelines, the Interim Measures, the Custodian Guidelines, Circular 141 and Circular 57, and avoid conducting any activities that may be deemed illegal under the current applicable laws and regulations, the PRC government authority may promulgate new laws and regulations regulating the online lending information intermediary service industry and amend the existing laws and regulations in the future. See "—Risks Related to Our Business—The laws and regulations governing the online lending information intermediary service industry in China are developing and evolving and subject to changes. If we fail to obtain and maintain requisite approvals, licenses or permits applicable to our business, our business, financial condition and results of operations would be materially and adversely affected" and "—Risks Related to Our Business—If our practice is deemed to violate any PRC laws or regulations, our business, financial condition and results of operations would be materially and adversely affected." We cannot assure you that our practices would not be deemed to violate any PRC laws or regulations. Moreover, developments in the online lending information intermediary service industry may lead to changes in PRC laws, regulations and policies or in the interpretation and application of existing laws, regulations and policies that may limit or restrict online consumer finance marketplaces like us, which could materially and adversely affect our business and operations.

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

Uncertainties exist with respect to the interpretation and implementation of the newly enacted PRC Foreign Investment law and how it may impact the viability of our current corporate structure, corporate governance and business operations.

On March 15, 2019, the National People's Congress approved the Foreign Investment Law, which will come into effect on January 1, 2020 and replace the trio of existing laws regulating foreign investment in China, namely, the Sino-foreign Equity Joint Venture Enterprise Law, the Sino-foreign Cooperative Joint Venture Enterprise Law and the Wholly Foreign-invested 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 investments. However, since it is relatively new, uncertainties still exist in relation to its interpretation and implementation. For instance, under the Foreign Investment Law, "foreign investment" refers to the investment activities directly or indirectly conducted by foreign individuals, enterprises or other entities in China. Though it does not explicitly classify contractual arrangements as a form of foreign investment, there is no assurance that foreign investment via contractual arrangement would not be interpreted as a type of indirect foreign investment activities under the definition in the future. In addition, the definition contains a catch-all provision which includes investments made by foreign investors through means stipulated in laws or administrative regulations or other methods prescribed by the State Council. Therefore, it still leaves leeway for future laws, administrative regulations or provisions promulgated by the State Council to provide for contractual arrangements as a form of foreign investment. In any of these cases, it will be uncertain whether our contractual arrangements will be deemed to be in violation of the market access requirements for foreign investment under the PRC laws and regulations. Furthermore, if future laws, administrative regulations or provisions prescribed by the State Council mandate further actions to be taken by companies with respect to existing contractual arrangements, we may face substantial uncertainties as to whether we can complete such actions in a timely manner, or at all. Failure to take timely and appropriate measures to cope with any of these or similar regulatory compliance challenges could materially and adversely affect our current corporate structure, corporate governance and business operations. See "—Risks Related to Our Corporate Structure" and "Item 4. Information on the Company — C. Organizational Structure."

We may be adversely affected by the complexity, uncertainties and changes in PRC regulation of internet-related businesses and companies, and any lack of requisite approvals, licenses or permits applicable to our business may have a material adverse effect on our business and results of operations.

The PRC government extensively regulates the internet industry, including foreign ownership of, and the licensing and permit requirements pertaining to, companies in the internet industry. These internet-related laws and regulations are evolving, and their interpretation and enforcement involve significant uncertainties. As a result, in certain circumstances it may be difficult to determine what actions or omissions may be deemed to be in violation of applicable laws and regulations.

We only have contractual control over our websites. We do not directly own the websites due to the restriction of foreign investment in businesses providing value-added telecommunication services in China, including internet information provision services. This may significantly disrupt our business, subject us to sanctions, compromise enforceability of related contractual arrangements, or have other harmful effects on us.

The evolving PRC regulatory system for the internet industry may lead to the establishment of new regulatory agencies. For example, in May 2011, the State Council announced the establishment of a new department, the State Internet Information Office (with the involvement of the State Council Information Office, the MITT, and the Ministry of Public Security). The primary role of this new agency is to facilitate the policy-making and legislative development in this field, to direct and coordinate with the relevant departments in connection with online content administration and to deal with cross-ministry regulatory matters in relation to the internet industry.

Heng Cheng and Hui Min, our consolidated variable interest entities operating our online marketplace, and Yi Ren Wealth Management, our consolidated variable interest entity operating our wealth management website and mobile application, may be deemed to be providing commercial internet information services and data processing and transaction processing services, which would require Heng Cheng, Hui Min and Yi Ren Wealth Management to obtain an ICP License and an EDI License.

An ICP License is a value-added telecommunications business operating license required for provision of commercial internet information services. See "Item 4. Information on the Company—B. Business Overview—Regulation—Regulations on Value-Added Telecommunication Services." As of the date of this annual report, Heng Cheng and Hui Min are in the process of renewing their ICP licenses, and Yi Ren Wealth Management is in the process of applying for an ICP license. Furthermore, as we are providing mobile applications to mobile device users, it is uncertain if Heng Cheng, Hui Min and Yi Ren Wealth Management will be required to obtain a separate value-added telecommunications business operating license with respect to the services provided through mobile devices in addition to the ICP License. Although we believe that not obtaining such separate license is in line with the current market practice, there can be no assurance that we will not be required to apply for an operating license for our mobile applications in the future.

An EDI License is a value-added telecommunications business operating license required for provision of data processing and transaction processing services. The Interim Measures jointly issued by four PRC regulatory agencies in August 2016 requires online lending information intermediaries, among other things, to apply for appropriate telecommunication business license in accordance with the relevant requirements of telecommunication authorities subsequent to completion of the record-filing with the local financial regulatory department. In accordance with the Guidelines and the Interim Measures, the relevant authorities are in the process of making detailed implementation rules regarding the application procedures for appropriate telecommunication business license by online lending information intermediaries. We plan to apply for any requisite telecommunication services license once the detailed implementation rules become available.

The Circular on Strengthening the Administration of Foreign Investment in and Operation of Value-added Telecommunications Business, issued by the MITT in July 2006, prohibits domestic telecommunication service providers from leasing, transferring or selling telecommunications business operating licenses to any foreign investor in any form, or providing any resources, sites or facilities to any foreign investor for their illegal operation of a telecommunications business in China. According to this circular, either the holder of a value-added telecommunication services operation permit or its shareholders must directly own the domain names and trademarks used by such license holders in their provision of value-added telecommunication services. The circular also requires each license holder to have the necessary facilities, including servers, for its approved business operations and to maintain such facilities in the regions covered by its license. Heng Cheng currently owns the relevant domain names and trademarks in connection with our value-added telecommunications business and has the necessary personnel to operate our websites. If an ICP License holder fails to comply with the requirements and also fails to remedy such non-compliance within a specified period of time, the MITT or its local counterparts have the discretion to take administrative measures against such license holder, including revoking its ICP License.

The interpretation and application of existing PRC laws, regulations and policies and possible new laws, regulations or policies relating to the internet industry have created substantial uncertainties regarding the legality of existing and future foreign investments in, and the businesses and activities of, internet businesses in China, including our business. We cannot assure you that we have obtained all the permits or licenses required for conducting our business in China or will be able to maintain our existing licenses or obtain new ones. If the PRC government considers that we were operating without the proper approvals, licenses or permits or promulgates new laws and regulations that require additional approvals or licenses or imposes additional restrictions on the operation of any part of our business, it has the power, among other things, to levy fines, confiscate our income, revoke our business licenses, and require us to discontinue our relevant business or impose restrictions on the affected portion of our business. Any of these actions by the PRC government may have a material adverse effect on our business and results of operations.

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

In cooperation with our partnering custody banks and payment companies, we have adopted various policies and procedures, such as internal controls and "know-your-customer" procedures, for anti-money laundering purposes. In addition, we rely on our third-party service providers, in particular the custody banks and payment companies that handle the transfer of funds between borrowers and investors, to have their own appropriate anti-money laundering policies and procedures. The custody banks and payment companies are subject to anti-money laundering obligations under applicable anti-money laundering laws and regulations and are regulated in that respect by the PBOC. If any of our third-party service provides fail to comply with applicable anti-money laundering laws and regulations, our reputation could suffer and we could become subject to regulatory intervention, which could have a material adverse effect on our business, financial condition and results of operations. Any negative perception of the industry, such as that arises from any failure of other consumer finance marketplaces 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.

The Guidelines jointly released by ten PRC regulatory agencies in July 2015 purport, among other things, to require internet finance service providers, including online lending information intermediaries, to comply with certain anti-money laundering requirements, including the establishment of a customer identification program, the monitoring and reporting of suspicious transactions, the preservation of customer information and transaction records, and the provision of assistance to the public security department and judicial authority in investigations and proceedings in relation to anti-money laundering matters. The Interim Measures jointly issued by four PRC regulatory agencies in August 2016 require the online lending information intermediaries, among other things, to comply with certain anti-money laundering obligations, including verifying customer identification, reporting suspicious transactions and preserving customer information and transaction records. The Custodian Guidelines issued by PBOC in February 2017 require the online lending platforms to set up custody accounts with commercial banks and comply with the anti-money laundry requirements of the relevant commercial banks. On October 11, 2018, the PBOC, the CBIRC, and the China Securities Regulatory Commission, or the CSRC, jointly promulgated the Administrative Measures for Anti-money Laundering and Counter-terrorism Financing by Internet Finance Service Agencies (for Trial Implementation), effective as of January 1, 2019, which specify the anti-money laundering obligations of internet finance service agencies and regulate that the internet finance service agencies shall (i) adopt continuous customer identification measures; (ii) implement the system for reporting large-value or suspicious transactions; (iii) conduct real-time monitoring of the lists of terrorist organizations and terrorists; and (iv) properly keep the information, data and materials such as customer identification and transaction reports etc. We cannot assure you that the anti-money laundering policies and procedures we have adopted will be effective in protecting our marketplace from being exploited for money laundering purposes or will be deemed to be in compliance with applicable anti-money laundering implementing rules if and when adopted.

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

We are a holding company, and we rely on dividends and other distributions on equity paid by our PRC subsidiaries for our cash and financing requirements, including the funds necessary to pay dividends and other cash distributions to our shareholders and service any debt we may incur. If our PRC subsidiaries incurs debt on their own behalf in the future, the instruments governing the debt may restrict their ability to pay dividends or make other distributions to us. In addition, the PRC tax authorities may require Heng Ye and Heng Yu Da to adjust their taxable income under the contractual arrangements they currently have in place with our consolidated variable interest entities in a manner that would materially and adversely affect their ability to pay dividends and other distributions to us. See "—Risks Related to Our Corporate Structure—Contractual arrangements in relation to our consolidated variable interest entities, may be subject to scrutiny by the PRC tax authorities and they may determine that we owe additional taxes, which could negatively affect our financial condition and the value of your investment."

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

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

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

Under PRC laws and regulations, we are permitted to utilize the proceeds from our initial public offering and the concurrent private placement to fund our PRC subsidiaries by making loans to or additional capital contributions to our PRC subsidiaries, subject to applicable government registration and approval requirements.

Any loans to our PRC subsidiaries, which are treated as foreign-invested enterprises under PRC laws, are subject to PRC regulations and foreign exchange loan registrations. For example, loans by us to our PRC subsidiaries to finance their activities cannot exceed statutory limits and must be registered with the local counterpart of the State Administration of Foreign Exchange, or SAFE. According to the Interim Measures on the Management of Foreign Debts promulgated by SAFE, the Ministry of Finance and the National Development and Reform Commission on January 8, 2003, the statutory limit for the total amount of foreign debts of a foreign-invested company is the difference between the amount of total investment as approved by the MOC or its local counterpart and the amount of registered capital of such foreign-invested company or two times of the net assets provided in the latest audited financial report of such PRC subsidiary, as applicable. According to the Circular of the People's Bank of China on Matters relating to the Comprehensive Macro-prudential Management of Cross-border Financing issued by the People's Bank of China in January 2017, or Circular 9, the maximum amounts of foreign debt that each company may borrow is determined by reference to its so-called risk-weighted balance of cross-border financing, which may not exceed two times its net assets as indicated in its latest audited financial report. The risk-weighted balance of cross-border financing of a company is calculated based on its outstanding amounts of Renminbi and foreign currency cross-border debt, multiplied by risk conversion factors corresponding to their respective remaining terms, loan categories and currency. However, for a one-year grace period starting from January 11, 2017, a foreign-invested company such as our PRC subsidiaries may elect to determine the maximum amount of its foreign debt in according with the rules in effect prior to Circular 9, or to comply with Circular 9. On the other hand, PRC domestic companies such as our consolidated variable interest entities must comply with Circular 9. Moreover, according to Notice of the National Development and Reform Commission on Promoting the Administrative Reform of the Recordation and Registration System for Enterprises' Issuance of Foreign Debts issued by the National Development and Reform Commission in September 2015, any loans we extend to our consolidated variable interest entities or other PRC operating companies that are domestic PRC entities for more than one year must be filed with the National Development and Reform Commission or its local counterpart and must also be registered with SAFE or its local branches.

We may also decide to finance our PRC subsidiaries by means of capital contributions. These capital contributions must be approved by the MOC or its local counterpart. On March 30, 2015, SAFE promulgated Circular of the State Administration of Foreign Exchange on Reforming the Management Approach regarding the Settlement of Foreign Exchange Capital of Foreign-invested Enterprises, or Circular 19, which expands a pilot reform of the administration of the settlement of the foreign exchange capitals of foreign-invested enterprises nationwide. On June 9, 2016, SAFE promulgated Circular of the State Administration of Foreign Exchange on Reforming and Regulating Policies on the Control over Foreign Exchange Settlement of Capital Accounts, or Circular 16, to further expand and strengthen such reform. Under Circular 19 and Circular 16, foreign-invested enterprises in the PRC are allowed to use their foreign exchange funds under capital accounts and RMB funds from exchange settlement for expenditure under current accounts within its business scope or expenditure under capital accounts permitted by laws and regulations, except that such funds shall not be used for (i) expenditure beyond the enterprise's business scope or expenditure prohibited by laws and regulations; (ii) investments in securities or other investments than principal-secured products issued by banks; (iii) granting loans to non-affiliated enterprises, except where it is expressly permitted in the business license; and (iv) construction or purchase of real estate for purposes other than self-use (except for real estate enterprises). In addition, SAFE strengthened its oversight of the flow and use of the Renminbi capital converted from foreign currency registered capital of a foreign-invested company. The use of such Renminbi capital may not be altered without SAFE's approval, and such Renminbi capital may not in any case be used to repay Renminbi loans if the proceeds of such loans have not been used. Violations of these circulars could result in severe monetary or other penalties. These circulars may significantly limit our ability to use Renminbi converted from the cash provided by our offshore financing activities to fund the establishment of new entities in China by our PRC subsidiaries, to invest in or acquire any other PRC companies through our PRC subsidiaries, or to establish new variable interest entities in the PRC.

In light of the various requirements imposed by PRC regulations on loans to and direct investment in PRC entities by offshore holding companies, we cannot assure you that we will be able to complete the necessary government registrations or obtain the necessary government approvals on a timely basis, if at all, with respect to future loans to our PRC subsidiaries or future capital contributions by us to our PRC subsidiaries. If we fail to complete such registrations or obtain such approvals, our ability to use the proceeds we received from our initial public offering and our private placement and to capitalize or otherwise fund our PRC operations may be negatively affected, which could materially and adversely affect our liquidity and our ability to fund and expand our business.

Fluctuations in exchange rates could result in foreign currency exchange losses and have a material adverse effect on the price of our ADSs.

The value of the Renminbi against the U.S. dollar and other currencies is affected by, among other things, changes in China's political and economic conditions and China's foreign exchange policies. On July 21, 2005, the PRC government changed its decade-old policy of pegging the value of the Renminbi to the U.S. dollar, and the Renminbi appreciated more than 20% against the U.S. dollar over the following three years. However, the PBOC regularly intervenes in the foreign exchange market to limit fluctuations in Renminbi exchange rates and achieve policy goals. During the period between July 2008 and June 2010, the exchange rate between the Renminbi and the U.S. dollar had been stable and traded within a narrow range. Since June 2010, the Renminbi has fluctuated against the U.S. dollar, at times significantly and unpredictably. Since October 1, 2016, Renminbi has joined the International Monetary Fund (IMF)'s basket of currencies that make up the Special Drawing Right (SDR), along with the U.S. dollar, the Euro, the Japanese yen and the British pound. Since the fourth quarter of 2016, the Renminbi has depreciated significantly in the backdrop of a surging U.S. dollar and persistent capital outflows of China until August 2017 where the Renminbi started to appreciate against the U.S. dollar. With the development of the foreign exchange market and progress towards interest rate liberalization and Renminbi internationalization, the PRC government may in the future announce further changes to the exchange rate system and we cannot assure you that the Renminbi will not appreciate or depreciate significantly in value against the U.S. dollar in the future. It is difficult to predict how market forces or PRC or U.S. government policy may impact the exchange rate between the Renminbi and the U.S. dollar in the future. There remains significant international pressure on the PRC government to adopt a flexible currency policy.

Our operations are conducted through subsidiaries and VIEs located in China where Renminbi is the functional currency. Our reporting currency is also Renminbi. Any significant appreciation or depreciation of the Renminbi may materially and adversely affect our liquidity and cash flows. For example, to the extent that we need to convert U.S. dollars we receive from our initial public offering into Renminbi to pay our operating expenses, 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 ordinary shares or ADSs or other business purposes, appreciation of the U.S. dollar against the Renminbi would have a negative effect on the U.S. dollar amount we would receive.

Very limited hedging options are available in China to reduce our exposure to exchange rate fluctuations. To date, we have not entered into any hedging transactions in an effort to reduce our exposure to foreign currency exchange risk. While we may decide to enter into hedging transactions in the future, the availability and effectiveness of these hedges may be limited and we may not be able to 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. As a result, fluctuations in exchange rates may have a material adverse effect on the price of our ADSs.

Governmental control of currency conversion may limit our ability to utilize our net revenues effectively and 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 net revenues in Renminbi. Under our current corporate structure, our company in the Cayman Islands relies on dividend payments from our PRC subsidiaries to fund any cash and financing requirements we may have. Under existing PRC foreign exchange regulations, payments of current account items, such as profit distributions and trade and service-related foreign exchange transactions, can be made in foreign currencies without prior approval from SAFE by complying with certain procedural requirements. Therefore, our PRC subsidiaries are able to pay dividends in foreign currencies to us without prior approval from SAFE, subject to the condition that the remittance of such dividends outside of the PRC complies with certain procedures under PRC foreign exchange regulation, such as the overseas investment registrations by the beneficial owners of our company who are PRC residents. But approval from or registration with appropriate government authorities is required where 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.

In light of the flood of capital outflows of China in 2016 due to the weakening Renminbi, the PRC government has imposed more restrictive foreign exchange policies and stepped up scrutiny of major outbound capital movement. More restrictions and substantial vetting process are put in place by SAFE to regulate cross-border transactions falling under the capital account. For example, on January 26, 2017, SAFE promulgated the Circular on Further Improving Reform of Foreign Exchange Administration and Optimizing Genuineness and Compliance Verification, or Circular 3, which sets out certain measures tightening genuineness and compliance verification of cross-border transactions and cross-border capital flow, including (i) improving the statistics of current account foreign currency earnings deposited offshore; (ii) requiring banks to verify board resolutions, tax filing forms, and audited financial statements before wiring foreign invested enterprises' foreign exchange distributions above US$50,000, and (iii) strengthening genuineness and compliance verification of foreign direct investments. The PRC government may also at its discretion restrict access in the future to foreign currencies for current account transactions. If the foreign exchange control system prevents us from obtaining sufficient foreign currencies to satisfy our foreign currency demands, we may not be able to pay dividends in foreign currencies to our shareholders, including holders of our ADSs.

Failure to make adequate contributions to various employee benefit plans as required by PRC regulations may subject us to penalties.

We are required under PRC laws and regulations to participate in various government sponsored employee benefit plans, including certain social insurance, housing funds and other welfare-oriented payment obligations, and contribute to the plans in amounts equal to certain percentages of salaries, including bonuses and allowances, of our employees up to a maximum amount specified by the local government from time to time at locations where we operate our businesses. The requirement of employee benefit plans has not been implemented consistently by the local governments in China given the different levels of economic development in different locations. We have accrued the employee benefit according to the local governments' regulations in financial statements, but we had not made adequate employee benefits payments until July 2018. In addition, certain entities we acquired in March 2019 as part of our business realignment with CreditEase did not make adequate employee benefits payment in the past. Although we have obtained indemnities and warranties from CreditEase to protect us for any potential liability associated with unpaid employee benefits, we may be required to make up the contributions for these plans and pay late penalties and fines in the first place before we could claim compensation from CreditEase. If we are subject to late penalties or fines in relation to the underpaid employee benefits, our financial condition and results of operations may be materially and adversely affected.

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

The Regulations on Mergers and Acquisitions of Domestic Companies by Foreign Investors, or the M&A Rules, adopted by six PRC regulatory agencies in August 2006 and amended in 2009, and some other regulations and rules concerning mergers and acquisitions established additional procedures and requirements that could make merger and acquisition activities by foreign investors more time consuming and complex, including requirements in some instances that the MOC be notified in advance of any change-of-control transaction in which a foreign investor takes control of a PRC domestic enterprise. Moreover, the Anti-Monopoly Law requires that the MOC shall be notified in advance of any concentration of undertaking if certain thresholds are triggered. In addition, the security review rules issued by the MOC that became effective in September 2011 specify that mergers and acquisitions by foreign investors that raise "national defense and security" concerns and mergers and acquisitions through which foreign investors may acquire de facto control over domestic enterprises that raise "national security" concerns are subject to strict review by the MOC, and the rules prohibit any activities attempting to bypass a security review, including by structuring the transaction through a proxy or contractual control arrangement. In the future, we may grow our business by acquiring complementary businesses. Complying with the requirements of the above-mentioned regulations and other relevant rules to complete such transactions could be time consuming, and any required approval processes, including obtaining approval from the MOC or its local counterparts may delay or inhibit our ability to complete such transactions, which could affect our ability to expand our business or maintain our market share. On March 25, 2019, we entered into a set of definitive agreements with CreditEase regarding a business realignment between CreditEase and us. If the MOC or any of its local counterparts challenges the transaction structure or requires us to complete relevant approval process, we may have to adjust the transaction structure, amend or terminate the definitive agreements or be subject to fines and other administrative sanctions. If such situations occur, our business, financial condition and prospects would be materially and adversely affected.

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

SAFE promulgated the Circular on Relevant Issues Relating to Domestic Resident's Investment and Financing and Roundtrip Investment through Special Purpose Vehicles, or SAFE Circular 37, in July 2014 that requires PRC residents or entities to register with SAFE or its local branch in connection with their establishment or control of an offshore entity established for the purpose of overseas investment or financing. In addition, such PRC residents or entities must update their SAFE registrations when the offshore special purpose vehicle undergoes material events relating to any change of basic information (including change of such PRC 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 is 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, or SAFE Circular 75. SAFE promulgated the Notice on Further Simplifying and Improving the Administration of the Foreign Exchange Concerning Direct Investment in February 2015, which took effect on June 1, 2015. This notice has amended SAFE Circular 37 requiring PRC residents or entities to register with qualified banks rather than SAFE or its local branch in connection with their establishment or control of an offshore entity established for the purpose of overseas investment or financing.

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

All of our shareholders who directly or indirectly hold shares in our Cayman Islands holding company and who are known to us as being PRC residents have completed the foreign exchange registrations.

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

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

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 March 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 domestic qualified agent, which could be the PRC subsidiary of such overseas listed company, and complete certain other procedures. In addition, an overseas entrusted institution must be retained to handle matters in connection with the exercise or sale of stock options and the purchase or sale of shares and interests. We and our executive officers and other employees who are PRC citizens or who have resided in the PRC for a continuous period of not less than one year and who have been granted options or other awards are subject to these regulations. Failure to complete the SAFE registrations may subject them to fines and legal sanctions and may also limit our ability to contribute additional capital into our PRC subsidiaries and limit our PRC subsidiaries' ability to distribute dividends to us. We also face regulatory uncertainties that could restrict our ability to adopt additional incentive plans for our directors, executive officers and employees under PRC law. See "Item 4. Information on the Company—B. Business Overview—Regulation—Regulations Related to Foreign Exchange—Regulations on Stock Incentive Plans."

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

Under the PRC Enterprise Income Tax Law and its implementation rules, 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 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 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 like us, 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 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 none of our entities outside of China is a PRC resident enterprise for PRC tax purposes. See "Item 10. Additional Information—E. Taxation—People's Republic of China Taxation." However, the tax resident status of an enterprise is subject to determination by the PRC tax authorities and uncertainties remain with respect to the interpretation of the term "de facto management body." As substantially all of our management members are based in China, it remains unclear how the tax residency rule will apply to our case. If the PRC tax authorities determine that Yirendai Ltd. or any of our subsidiaries outside of China is a PRC resident enterprise for PRC enterprise income tax purposes, then Yirendai Ltd. or such subsidiary could be subject to PRC tax at a rate of 25% on its worldwide income, which could materially reduce our net income. In addition, we will also be subject to PRC enterprise income tax reporting obligations. Furthermore, if the PRC tax authorities determine that we are a PRC resident enterprise for enterprise income tax purposes, gains realized on the sale or other disposition of our ADSs or ordinary shares may be subject to PRC tax, at a rate of 10% in the case of non-PRC enterprises or 20% in the case of non-PRC individuals (in each case, subject to the provisions of any applicable tax treaty), if such gains are deemed to be from PRC sources. It is unclear whether non-PRC shareholders of our company would be able to claim the benefits of any tax treaties between their country of tax residence and the PRC in the event that we are treated as a PRC resident enterprise. Any such tax may reduce the returns on the investment in our ADSs.

Discontinuation of preferential tax treatment or imposition of any additional taxes could adversely affect our financial condition and results of operations.

The Enterprise Income Tax Law and its implementing rules have adopted a uniform statutory enterprise income tax rate of 25% to all enterprises in China. The Enterprise Income Tax Law and its implementing rules also permit companies qualified as "software enterprises" to enjoy a two-year income tax exemption starting from the first profit making year, followed by a reduced tax rate of 12.5% for the subsequent three years. Heng Ye, one of our PRC subsidiaries, was qualified as a "software enterprise" in July 2016, and accordingly is eligible for an exemption of enterprise income tax for 2015 and 2016 and a reduced enterprise income tax at the rate of 12.5% from 2017 through 2019. However, Heng Ye's qualification as a "software enterprise" is subject to annual evaluation by the relevant authorities in China. If Heng Ye fails to maintain its "software enterprise" qualification, its applicable corporate income tax rate would increase to 25%, which could have adverse effects on our financial condition and results of operations. In addition, Heng Yu Da, one of our PRC subsidiaries, is eligible for a reduced enterprise income tax rate of 15% for the year 2017 pursuant to the Catalogue of Encouraged Industries in Western Regions, the Catalogue of Industries for Guiding Foreign Investment, and the related rules granting favorable tax treatment to companies in specified industries in western China under the PRC government's policy initiative to promote the development of the western region of China. However, Heng Yu Da's favorable tax treatment is subject to an annual filing requirement. Moreover, the relevant rules and policy initiative may change, and favorable tax treatment under these rules are available only to companies meeting certain qualifications. Therefore there is uncertainty as to whether and for how long Heng Yu Da can continue to enjoy such favorable tax treatment after 2017. If such favorable tax treatment becomes unavailable to Heng Yu Da in the future, its applicable corporate income tax rate would increase to 25%, which may affect our financial condition and results of operations.

The current PRC income tax laws and regulations are not clear as to whether the provision for quality assurance program and the actual net payouts from quality assurance program are tax deductible relating to online lending platform intermediaries. We treat this as a temporary difference which means the provision for quality assurance program is non-deductible while the actual quality assurance program net payouts would be deductible for tax purposes when payments occur. However, due to the unclear PRC income tax laws and regulations as well as uncertainty in practice, there exist risks that the actual net payouts from quality assurance program may not be deductible from taxable income.

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

We are a holding company incorporated under the laws of the Cayman Islands and as such rely on dividends and other distributions on equity from our PRC subsidiaries to satisfy part of our liquidity requirements. Pursuant to the PRC Enterprise Income Tax Law, a withholding tax rate of 10% currently applies to dividends paid by a PRC "resident enterprise" to a foreign enterprise investor, unless any such foreign investor's jurisdiction of incorporation has a tax treaty with China that provides for preferential tax treatment. Pursuant to the Arrangement between the Mainland China and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and Tax Evasion on Income, or the Double Tax Avoidance Arrangement, such withholding tax rate may be lowered to 5% if a Hong Kong resident enterprise owns no less than 25% of a PRC enterprise. Furthermore, the Administrative Measures for Non-Resident Enterprises to Enjoy Treatments under Tax Treaties, which became effective in August 2015, require non-resident enterprises to determine whether they are qualified to enjoy the preferential tax treatment under the tax treaties and file relevant report and materials with the tax authorities. There are also other conditions for enjoying the reduced withholding tax rate according to other relevant tax rules and regulations. See "Item 10. Additional Information—E. Taxation—People's Republic of China Taxation." As of December 31, 2018, we accrued nil of withholding tax liabilities, as our board of directors decided in August 2018 to temporarily suspend the previously adopted semi-annual dividend policy. We intend to indefinitely reinvest all remaining undistributed earnings as of December 31, 2018 in our PRC subsidiaries. Should our tax policy change to allow for offshore distribution of our earnings, we would be subject to a significant withholding tax. We cannot assure you that our determination regarding our qualification to enjoy the preferential tax treatment will not be challenged by the relevant tax authority or we will be able to complete the necessary filings with the relevant tax authority and enjoy the preferential withholding tax rate of 5% under the Double Taxation Arrangement with respect to dividends to be paid by our PRC subsidiaries to Yirendai Hong Kong Limited, our Hong Kong subsidiary.

Enhanced scrutiny over acquisition transactions by the PRC tax authorities may have a negative impact on potential acquisitions we may pursue in the future.

The PRC tax authorities have enhanced their scrutiny over the direct or indirect transfer of certain taxable assets, including, in particular, equity interests in a PRC resident enterprise, by a non-resident enterprise by promulgating and implementing Circular on Issues Concerning Treatment of Enterprise Income Tax in Enterprise Restructuring Business promulgated by the State Administration of Taxation, which became effective in January 2008, or Circular 59, the Announcement of the State Administration of Taxation on Several Issues concerning the Enterprise Income Tax on the Indirect Transfers of Properties by Non-Resident Enterprises promulgated by the State Administration of Taxation in February 2015, or Circular 7, and the Announcement of the State Administration of Taxation on Matters Concerning Withholding of Income Tax of Non-resident Enterprises at Source promulgated by the State Administration of Taxation in October 2017 and taking into effect in December 2017 and amended in June 2018, or SAT Circular 37.

Under Circular 7, where a non-resident enterprise conducts an "indirect transfer" by transferring the equity interests of a PRC "resident enterprise" or other taxable assets indirectly by disposing of the equity interests of an overseas holding company, the non-resident enterprise, being the transferor, may be subject to PRC enterprise income tax, if the indirect transfer is considered to be an abusive use of company structure without reasonable commercial purposes.

In addition, Circular 7 provides clearer criteria on how to assess reasonable commercial purposes and has introduced safe harbors for internal group restructurings and the purchase and sale of equity through a public securities market. Circular 7 also brings challenges to both the foreign transferor and transferee (or other person who is obligated to pay for the transfer) of the taxable assets. Where a non-resident enterprise conducts an "indirect transfer" by transferring the taxable assets indirectly by disposing of the equity interests of an overseas holding company, the non-resident enterprise being the transferor, or the transferee, or the PRC entity which directly owned the taxable assets may report to the relevant tax authority such indirect transfer. Using a "substance over form" principle, the PRC tax authority may disregard the existence of the overseas holding company if it lacks a reasonable commercial purpose and was established for the purpose of reducing, avoiding or deferring PRC tax. As a result, gains derived from such indirect transfer may be subject to PRC enterprise income tax, and the transferee or other person who is obligated to pay for the transfer is obligated to withhold the applicable taxes, currently at a rate of 10% for the transfer of equity interests in a PRC resident enterprise.

SAT Circular 37 provides certain changes to the current withholding regime. For example, SAT Circular 37 requires that the transferor shall declare to the competent tax authority for payment of tax within seven (7) days after the tax payment obligation comes into being if the withholding agent fails to withhold the tax due or withhold the tax due in full. However, according to SAT Circular 37, if the withholding agent fails to withhold and remit the income tax payable, or is unable to perform its obligation in this regard, as long as the non-resident enterprise that earns the income voluntarily declares and pays the tax payable before the tax authority orders it to do so within required time limits, it shall be deemed that such enterprise has paid the tax in time.

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. The PRC tax authorities may pursue such non-resident enterprises with respect to a filing or the transferees with respect to withholding obligation, and request our PRC subsidiaries to assist in the filing. As a result, we and non-resident enterprises in such transactions may become at risk of being subject to filing obligations or being taxed, under Circular 59, Circular 7 and SAT Circular 37, and may be required to expend valuable resources to comply with Circular 59, Circular 7 and SAT Circular 37 or to establish that we and our non-resident enterprises should not be taxed under these circulars, which may have a material adverse effect on our financial condition and results of operations.

The PRC tax authorities have the discretion under Circular 59, Circular 7 and SAT Circular 37 to make adjustments to the taxable capital gains based on the difference between the fair value of the taxable assets transferred and the cost of investment. Although we currently have no plans to pursue any acquisitions in China or elsewhere in the world, we may pursue acquisitions in the future that may involve complex corporate structures. If we are considered a non-resident enterprise under the PRC Enterprise Income Tax Law and if the PRC tax authorities make adjustments to the taxable income of the transactions under Circular 59, Circular 7 and SAT Circular 37, our income tax costs associated with such potential acquisitions will be increased, which may have an adverse effect on our financial condition and results of operations.

The audit report included in this annual report has been prepared by our independent registered public accounting firm whose work may not be inspected fully by the Public Company Accounting Oversight Board and, as such, you may be deprived of the benefits of such inspection.

Our independent registered public accounting firm that issues the audit reports included in our annual reports filed with the U.S. Securities and Exchange Commission, as auditors of companies that are traded publicly in the United States and a firm registered with the U.S. Public Company Accounting Oversight Board, or the PCAOB, is required by the laws of the United States to undergo regular inspections by the PCAOB to assess its compliance with the laws of the United States and professional standards.

Because we have substantial operations within the PRC and the PCAOB is currently unable to conduct inspections of the work of our independent registered public accounting firm as it relates to those operations without the approval of the Chinese authorities, our independent registered public accounting firm is not currently inspected fully by the PCAOB. This lack of PCAOB inspections in the PRC prevents the PCAOB from regularly evaluating our independent registered public accounting firm's audits and its quality control procedures. As a result, investors may be deprived of the benefits of PCAOB inspections.

On May 24, 2013, the PCAOB announced that it had entered into a Memorandum of Understanding on Enforcement Cooperation with the China Securities Regulatory Commission, or the CSRC, and the Ministry of Finance which establishes a cooperative framework between the parties for the production and exchange of audit documents relevant to investigations in the United States and China. On inspection, it appears that the PCAOB continues to be in discussions with the Mainland China regulators to permit inspections of audit firms that are registered with the PCAOB in relation to the audit of Chinese companies that trade on U.S. exchanges. On December 7, 2018, the SEC and the PCAOB issued a joint statement highlighting continued challenges faced by the U.S. regulators in their oversight of financial statement audits of U.S.-listed companies with significant operations in China. The joint statement reflects a heightened interest in this issue. However, it remains unclear what further actions the SEC and PCAOB will take and its impact on Chinese companies listed in the U.S.

Inspections of other firms that the PCAOB has conducted outside the PRC have identified deficiencies in those firms' audit procedures and quality control procedures, which may be addressed as part of the inspection process to improve future audit quality. The inability of the PCAOB to conduct full inspections of auditors in the PRC 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 the PRC that are subject to PCAOB inspections. Investors may lose confidence in our reported financial information and procedures and the quality of our financial statements.

If the settlement reached between the SEC and the Big Four PRC-based accounting firms (including the Chinese affiliate of our independent registered public accounting firm), concerning the manner in which the SEC may seek access to audit working papers from audits in China of US-listed companies, is not or cannot be performed in a manner acceptable to authorities in China and the U.S., we could be unable to timely file future financial statements in compliance with the requirements of the Exchange Act.

In late 2012, the SEC commenced administrative proceedings under Rule 102(e) of its Rules of Practice and also under the Sarbanes-Oxley Act of 2002 against the mainland Chinese affiliates of the "Big Four" accounting firms (including the mainland Chinese affiliate of our independent registered public accounting firm). A first instance trial of the proceedings in July 2013 in the SEC's internal administrative court resulted in an adverse judgment against the firms. The administrative law judge proposed penalties on the Chinese accounting firms including a temporary suspension of their right to practice before the SEC, although that proposed penalty did not take effect pending review by the Commissioners of the SEC. On February 6, 2015, before a review by the Commissioner had taken place, the Chinese accounting firms reached a settlement with the SEC whereby the proceedings were stayed. Under the settlement, the SEC accepted that future requests by the SEC for the production of documents would normally be made to the CSRC. The Chinese accounting firms would receive requests matching those under Section 106 of the Sarbanes-Oxley Act of 2002, and would be required to abide by a detailed set of procedures with respect to such requests, which in substance would require them to facilitate production via the CSRC. The CSRC for its part initiated a procedure whereby, under its supervision and subject to its approval, requested classes of documents held by the accounting firms could be sanitized of problematic and sensitive content so as to render them capable of being made available by the CSRC to US regulators.

Under the terms of the settlement, the underlying proceeding against the four PRC-based accounting firms was deemed dismissed with prejudice at the end of four years starting from the settlement date, which was on February 6, 2019. Despite the final ending of the proceedings, the presumption is that all parties will continue to apply the same procedures: i.e. the SEC will continue to make its requests for the production of documents to the CSRC, and the CSRC will normally process those requests applying the sanitization procedure. We cannot predict whether, in cases where the CSRC does not authorize production of requested documents to the SEC, the SEC will further challenge the four PRC-based accounting firms' compliance with U.S. law. If additional challenges are imposed on the Chinese affiliates of the "big four" accounting firms, we could be unable to timely file future financial statements in compliance with the requirements of the Exchange Act.

In the event that the SEC restarts the administrative proceedings, depending upon the final outcome listed companies in the United States with major PRC operations may find it difficult or impossible to retain auditors in respect of their operations in the PRC, which could result in financial statements being determined to not be in compliance with the requirements of the Exchange Act, including possible delisting. Moreover, any negative news about any such future proceedings against these accounting firms may cause investor uncertainty regarding China-based, United States-listed companies and the market price of our ADSs may be adversely affected.

If the Chinese affiliate of our independent registered public accounting firm were denied, even temporarily, the ability to practice before the SEC and we were unable to timely find another registered public accounting firm to audit and issue an opinion on our financial statements, our financial statements could be determined not to be in compliance with the requirements of the Exchange Act. Such a determination could ultimately lead to the delisting of our ordinary shares from the NYSE or deregistration from the SEC, or both, which would substantially reduce or effectively terminate the trading of our ADSs in the United States.

Risks Related to our American Depositary Shares

The market price for our ADSs may be volatile.

The trading price of our ADSs has ranged from US$9.61 to US$47.93 per ADS in 2018. The trading prices of our ADSs are likely to be volatile and could fluctuate widely due to factors beyond our control. This may happen because of broad market and industry factors, like the performance and fluctuation in the market prices or the underperformance or deteriorating financial results of internet or other companies based in China that have listed their securities in the United States in recent years. The securities of some of these companies have experienced significant volatility since their initial public offerings, including, in some cases, substantial decline in their trading prices. The trading performances of other Chinese companies' securities after their offerings may affect the attitudes of investors toward Chinese companies listed in the United States, which consequently may impact the trading performance of our ADSs, regardless of our actual operating performance. In addition, any negative news or perceptions about inadequate corporate governance practices or fraudulent accounting, corporate structure or other matters of us or other Chinese companies may also negatively affect the attitudes of investors towards Chinese companies in general, including us, regardless of whether we have conducted any inappropriate activities. In addition, securities markets may from time to time experience significant price and volume fluctuations that are not related to our operating performance, such as the large decline in share prices in the United States, China and other jurisdictions in late 2008, early 2009, the second half of 2011, the third quarter of 2015 and the first quarter of 2016, which may have a material adverse effect on the market price of our ADSs.

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

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

We cannot guarantee that any share repurchase program will be fully consummated or that any share repurchase program will enhance long-term shareholder value, and share repurchases could increase the volatility of the price of our ADSs and could diminish our cash reserves.

In June 2018, our board of directors authorized a share repurchase program, under which we may repurchase up to US$20 million of our ADSs or ordinary shares. As of December 31, 2018, we had repurchased 2,000 ADSs at an average price of US$18.4647 per ADS under this program. Our share repurchase program could affect the price of our stock and increase volatility and may be suspended or terminated at any time.

If securities or industry analysts do not publish research or publish inaccurate or unfavorable research about our business, the market price for our ADSs and trading volume could decline.

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

We cannot assure you that our existing dividend policy will not change in the future or the amount the dividends that you may receive, and as such, you must rely on price appreciation of our ADSs for return on your investment.

Our board of directors has discretion as to whether to distribute dividends, subject to our memorandum and articles of association and certain restrictions under Cayman Islands law, namely that our company may only pay dividends out of profits or share premium, and provided always that in no circumstances may a dividend be paid if this would result in our company being unable to pay its debts as they fall due in the ordinary course of business. In addition, our shareholders may by ordinary resolution declare a dividend, but no dividend may exceed the amount recommended by our board of directors. On July 29, 2017, our board of directors approved a semi-annual dividend policy. Under this policy, semi-annual dividends will be set at an amount equivalent to approximately 15% of our anticipated net income after tax in each half year commencing from the second half of 2017. The determination to declare and pay such semi-annual dividend and the amount of dividend in any particular half year will be made at the discretion of our board of directors and will be based upon our operations and earnings, cash flow, financial condition and other relevant factors that the board may deem appropriate. As such, the amount of dividends that you will receive are subject to change. In addition, there can be no assurance that we will not adjust our dividend policy in the future. Accordingly, the return on your investment in our ADSs will likely depend entirely upon any future price appreciation of our ADSs. There is no guarantee that our ADSs will appreciate in value or even maintain the price at which you purchased the ADSs. You may not realize a return on your investment in our ADSs and you may even lose your entire investment in our ADSs.

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

Sales of our ADSs in the public market, or the perception that these sales could occur, could cause the market price of our ADSs to decline. As of March 31, 2019, we had 123,062,918 ordinary shares outstanding. Among these shares, 22,328,094 ordinary shares are in the form of ADSs. All our ADSs are freely transferable without restriction or additional registration under the Securities Act. The remaining ordinary shares outstanding are available for sale, subject to volume and other restrictions as applicable under Rules 144 and 701 under the Securities Act. To the extent shares are sold into the market, the market price of our ADSs could decline.

Certain holders of our ordinary shares may cause us to register under the Securities Act the sale of their shares. Registration of these shares under the Securities Act would result in ADSs representing these shares becoming freely tradable without restriction under the Securities Act immediately upon the effectiveness of the registration. Sales of these registered shares in the form of ADSs in the public market could cause the price of our ADSs to decline.

We have adopted share incentive plans in September 2015 and July 2017, under which we have the discretion to grant a broad range of equity-based awards to eligible participants. See “Item 6. Directors, Senior Management and Employees—B. Compensation—Share Incentive Plan.” We have registered certain ordinary shares that we may issue under our share incentive plans and intend to register all ordinary shares that we may issue under our share incentive plans. Once we register these ordinary shares, they can be freely sold in the public market in the form of ADSs upon issuance, subject to volume limitations applicable to affiliates and relevant lock-up agreements. If a large number of our ordinary shares or securities convertible into our ordinary shares are sold in the public market in the form of ADSs after they become eligible for sale, the sales could reduce the trading price of our ADSs and impede our ability to raise future capital. In addition, any ordinary shares that we issue under our share incentive plans would dilute the percentage ownership held by the investors who purchased ADSs.

You, as holders of ADSs, may have fewer rights than holders of our ordinary shares and must act through the depositary to exercise those rights.

Holders of ADSs do not have the same rights as our shareholders and may only exercise the voting rights with respect to the underlying ordinary shares in accordance with the provisions of the deposit agreement. Under the deposit agreement, you must vote by giving voting instructions to the depositary. Upon receipt of your voting instructions, the depositary will vote the underlying ordinary shares representing your ADSs in accordance with these instructions. You will not be able to directly exercise your right to vote with respect to the underlying ordinary shares representing your ADSs unless you withdraw the shares and become the registered holder of such shares prior the record date of the general meeting. Under our current memorandum and articles of association, the minimum notice period required to convene a general meeting is seven days. When a general meeting is convened, you may not receive sufficient notice of a shareholders’ meeting to permit you to withdraw the shares underlying your ADSs and become the registered holder of such shares prior to the record date of the general meeting to allow you to cast your vote with respect to any specific matter. In addition, the depositary and its agents may not be able to send voting instructions to you or carry out your voting instructions in a timely manner. Under our current 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 ordinary shares underlying 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. We will make all reasonable efforts to cause the depositary to extend voting rights to you in a timely manner, but we cannot assure you that you will receive the voting materials in time to ensure that you can instruct the depositary to vote the shares underlying your ADSs. Furthermore, the depositary and its agents will not be responsible for any failure to carry out any instructions to vote, for the manner in which any vote is cast or for the effect of any such vote. As a result, you may not be able to exercise your right to vote and you may lack recourse if the shares underlying your ADSs are not voted as you requested. In addition, in your capacity as an ADS holder, you will not be able to call a shareholders’ meeting.

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

Under the deposit agreement for our ADSs, the depositary will give us a discretionary proxy to vote our ordinary shares underlying your ADSs at shareholders' meetings if you do not give voting instructions to the depositary, unless:

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

The effect of this discretionary proxy is that, if you fail to give voting instructions to the depositary, you cannot prevent our ordinary shares underlying your ADSs from being voted, absent the situations described above. This may make it more difficult for shareholders to influence our management. Holders of our ordinary shares are not subject to this discretionary proxy.

Your rights to pursue claims against the depositary as a holder of ADSs are limited by the terms of the deposit agreement.

Under the deposit agreement, any action or proceeding against or involving the depositary, arising out of or based upon the deposit agreement or the transactions contemplated thereby or by virtue of owning the ADSs may only be instituted in a state or federal court in New York, New York, and you, as a holder of our ADSs, will have irrevocably waived any objection which you may have to the laying of venue of any such proceeding, and irrevocably submitted to the exclusive jurisdiction of such courts in any such action or proceeding. However, the depositary may, in its sole discretion, require that any dispute or difference arising from the relationship created by the deposit agreement be referred to and finally settled by an arbitration conducted under the terms described in the deposit agreement. Also, we may amend or terminate the deposit agreement without your consent. If you continue to hold your ADSs after an amendment to the deposit agreement, you agree to be bound by the deposit agreement as amended. See "Item 12. Description of Securities Other Than Equity Securities—D. American Depositary Shares" for more information.

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

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

You may not receive cash dividends if the depositary decides it is impractical to make them available to you.

The depositary will pay cash dividends on the ADSs only to the extent that we decide to distribute dividends on our ordinary shares or other deposited securities, and we do not have any present plan to pay any cash dividends on our ordinary shares in the foreseeable future. To the extent that there is a distribution, the depositary of our ADSs has agreed to pay to you the cash dividends or other distributions it or the custodian receives on our ordinary shares or other deposited securities after deducting its fees and expenses. You will receive these distributions in proportion to the number of ordinary shares your ADSs represent. However, the depositary may, at its discretion, decide that it is inequitable or impractical to make a distribution available to any holders of ADSs. For example, the depositary may determine that it is not practicable to distribute certain property through the mail, or that the value of certain distributions may be less than the cost of mailing them. In these cases, the depositary may decide not to distribute such property to you.

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

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

We were previously subject to two shareholder class action lawsuits that were subsequently dismissed. However, we cannot assure you that we will not be subject to other shareholder class action lawsuits in the future.

We were previously subject to two shareholder class action lawsuits that were subsequently dismissed. See details on the putative shareholder class action lawsuits in "Item 8. Financial Information—A. Consolidated Statements and Other Financial Information—Legal Proceedings." On July 12, 2017, the United States District Court for the Central District of California dismissed the class action lawsuits and concluded that the plaintiff's action, which was not certified as a class action, shall be dismissed with prejudice. However, we cannot assure you that we will not be subject to other shareholder class action lawsuits in the future. If we are subject to other shareholder class action lawsuits, we will be unable to estimate the possible loss or possible range of loss, if any, associated with the resolution of these lawsuits. In the event that our initial defense of these lawsuits is unsuccessful, there can be no assurance that we will prevail in any appeal. Any adverse outcome of these cases, including any plaintiff's appeal of a judgment in these lawsuits, could have a material adverse effect on our business, financial condition, results of operation, cash flows and reputation. In addition, there can be no assurance that our insurance carriers will cover all or part of the defense costs, or any liabilities that may arise from these matters. The litigation process may utilize a significant portion of our resources and divert management's attention from the day-to-day operations of our company, all of which could harm our business. We also may be subject to claims for indemnification related to these matters, and we cannot predict the impact that indemnification claims may have on our business or financial results.

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

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

There is no statutory enforcement in the Cayman Islands of judgments obtained in the federal or state courts of the United States (and the Cayman Islands are not a party to any treaties for the reciprocal enforcement or recognition of such judgments), a judgment obtained in such jurisdiction will be recognized and enforced in the courts of the Cayman Islands at common law, without any re-examination of the merits of the underlying dispute, by an action commenced on the foreign judgment debt in the Grand Court of the Cayman Islands, provided such judgment (a) is given by a foreign court of competent jurisdiction, (b) imposes on the judgment debtor a liability to pay a liquidated sum for which the judgment has been given, (c) is final, (d) is not in respect of taxes, a fine or a penalty, and (e) was not obtained in a manner and is not of a kind the enforcement of which is contrary to natural justice or the public policy of the Cayman Islands. However, the Cayman Islands courts are unlikely to enforce a judgment obtained from the U.S. courts under civil liability provisions of the U.S. federal securities law if such judgment is determined by the courts of the Cayman Islands to give rise to obligations to make payments that are penal or punitive in nature. Because such a determination has not yet been made by a court of the Cayman Islands, it is uncertain whether such civil liability judgments from U.S. courts would be enforceable in the Cayman Islands.

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 director 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.

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

We are an exempted company limited by shares incorporated under the laws of the Cayman Islands. Our corporate affairs are governed by our memorandum and articles of association, the Companies Law (2018 Revision) of the Cayman Islands and the common law of the Cayman Islands. The rights of shareholders to take action against the directors, actions by 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 current memorandum and 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 resolution or to solicit proxies from other shareholders in connection with a proxy contest.

As a result of all of the above, our public shareholders may have more difficulty in protecting their interests in the face of actions taken by management, members of the board of directors or controlling shareholders than they would as public shareholders of a company incorporated in the United States.

Our memorandum and articles of association contain anti-takeover provisions that could discourage a third party from acquiring us and adversely affect the rights of holders of our ordinary shares and ADSs.

Our memorandum and articles of association contain certain provisions that could limit the ability of others to acquire control of our company, including a provision that grants authority to our board of directors to establish and issue from time to time one or more series of preferred shares without action by our shareholders and to determine, with respect to any series of preferred shares, the terms and rights of that series. These provisions could have the effect of depriving our shareholders and ADSs holders of the opportunity to sell their shares or ADSs at a premium over the prevailing market price by discouraging third parties from seeking to obtain control of our company in a tender offer or similar transactions.

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

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

The JOBS Act also provides that an emerging growth company does not need to comply with any new or revised financial accounting standards until such date that a private company is otherwise required to comply with such new or revised accounting standards. However, we have elected to "opt out" of this provision and, as a result, we will comply with new or revised accounting standards as required when they are adopted for public companies. This decision to opt out of the extended transition period under the JOBS Act is irrevocable.

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 the NYSE. 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 NYSE corporate governance listing standards; these practices may afford less protection to shareholders than they would enjoy if we complied fully with the NYSE corporate governance listing standards.

As a Cayman Islands company listed on the NYSE, we are subject to the NYSE corporate governance listing standards. However, NYSE 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 NYSE corporate governance listing standards. We rely on the exemption available to foreign private issuers for the requirements in terms of (i) shareholder approval of equity compensation plans and any material revisions to the terms of such plans under Section 303A.08 of the NYSE Listed Company Manual and (ii) shareholder approval of issuance of common stock in any transaction or series of related transactions under Section 312.03 of the NYSE Listed Company Manual. As a result of our election to follow home country practice with respect to the foregoing matters, our shareholders will not have the same protection that they otherwise would enjoy under the NYSE corporate governance listing standards applicable to U.S. domestic issuers. Other than the home country practice disclosed above, we have followed and intend to continue to follow the applicable corporate governance standards under NYSE rules.

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

We will be a "passive foreign investment company," or "PFIC," if, in any particular taxable year, either (a) 75% or more of our gross income for such year consists of certain types of "passive" income or (b) 50% or more of the average quarterly value of our assets (as determined on the basis of fair market value) during such year produce or are held for the production of passive income (the "asset test"). Although the law in this regard is unclear, we intend to treat Heng Cheng and Yi Ren Wealth Management as being owned by us for United States federal income tax purposes, not only because we exercise effective control over the operation of these entities but also because we are entitled to substantially all of their economic benefits, and, as a result, we consolidate their results of operations in our consolidated financial statements. Assuming that we are the owner of Heng Cheng and Yi Ren Wealth Management for United States federal income tax purposes, and based upon our income and assets, including goodwill, and the value of our ADSs and ordinary shares, we do not believe that we were be a PFIC for the taxable year ended December 31, 2018 and do not anticipate becoming a PFIC in the foreseeable future.

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

If we are a PFIC in any taxable year, a U.S. holder (as defined in "Item 10. Additional Information—E. Taxation—United States Federal Income Tax Considerations") may incur significantly increased United States income tax on gain recognized on the sale or other disposition of the ADSs or ordinary shares and on the receipt of distributions on the ADSs or ordinary shares to the extent such gain or distribution is treated as an "excess distribution" under the United States federal income tax rules and such holder may be subject to burdensome reporting requirements. Further, if we are a PFIC for any year during which a U.S. holder holds our ADSs or ordinary shares, we generally will continue to be treated as a PFIC for all succeeding years during which such U.S. holder holds our ADSs or ordinary shares. For more information see "Item 10. Additional Information—E. Taxation—United States Federal Income Tax Considerations—Passive Foreign Investment Company Considerations."

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

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 the NYSE, impose various requirements on the corporate governance practices of public companies. As a company with less than US$1.07 billion in net revenues for our last fiscal year, we qualify as an "emerging growth company" pursuant to the JOBS Act. An emerging growth company may take advantage of specified reduced reporting and other requirements that are otherwise applicable generally to public companies. These provisions include exemption from the auditor attestation requirement under Section 404 of the Sarbanes-Oxley Act of 2002 in the assessment of the emerging growth company's internal control over financial reporting and permission to delay adopting new or revised accounting standards until such time as those standards apply to private companies. However, we have elected to "opt out" of the provision that allow us to delay adopting new or revised accounting standards and, as a result, we will comply with new or revised accounting standards as required when they are adopted for public companies. This decision to opt out of the extended transition period under the JOBS Act is irrevocable.

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

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

Item 4. Information on the Company

A. History and Development of the Company

We commenced our online consumer finance marketplace business in March 2012 as a business unit under our parent company, CreditEase, which remains as our parent company and controlling shareholder after our initial public offering in December 2015. CreditEase incorporated Yirendai Ltd. in the Cayman Islands to be our holding company in September 2014. Yirendai Ltd. then established a wholly owned subsidiary in Hong Kong, Yirendai Hong Kong Limited, or Yirendai HK, in October 2014, and Yirendai HK further established Yi Ren Heng Ye Technology Development (Beijing) Co., Ltd., or Heng Ye, our wholly owned subsidiary in China, in January 2015. Yirendai HK further established Chongqing Heng Yu Da Technology Co., Ltd., or Heng Yu Da, our wholly owned subsidiary in China, in March 2016. Heng Ye further established Yi Ren Information Consulting (Beijing) Co., Ltd. or Yi Ren Information, our wholly owned subsidiary in China, in August 2017.

Heng Cheng Technology Development (Beijing) Co., Ltd., or Heng Cheng, was established in China in September 2014. Mr. Ning Tang, Mr. Fanshun Kong and Ms. Yan Tian are the shareholders of Heng Cheng, owning 40%, 30% and 30% of the equity interest in Heng Cheng, respectively, as of the date of this annual report. We obtained control and became the primary beneficiary of Heng Cheng in February 2015 by entering into a series of contractual arrangements with Heng Cheng and its shareholders.

To execute our strategy of offering more value-added services to investors, we established Yiren Financial Information Service (Beijing) Co., Ltd., or Yi Ren Wealth Management, in China in October 2016 to mainly conduct our wealth management business, aiming to provide investors with an expanded array of investment options, including fund and insurance products offered by third parties. Mr. Ning Tang, Mr. Fanshun Kong and Ms. Yan Tian are the shareholders of Yi Ren Wealth Management, owning 40%, 30% and 30% of the equity interest in Yi Ren Wealth Management, respectively, as of the date of this annual report. We obtained control and became the primary beneficiary of Yi Ren Wealth Management by entering into a series of contractual arrangements with Yi Ren Wealth Management and its shareholders in October 2016.

On December 18, 2015, our ADSs commenced trading on the NYSE under the symbol "YRD." We raised from our initial public offering approximately US$64.9 million in net proceeds after deducting underwriting commissions and the offering expenses payable by us. Concurrently with our initial public offering, we sold 2,000,000 ordinary shares to Baidu (Hong Kong) Limited, or Baidu Hong Kong, in a private placement, resulting in net proceeds to us of approximately US$9.0 million.

On March 25, 2019, we entered into a set of definitive agreements with CreditEase regarding a business realignment between CreditEase and us. Pursuant to the definitive agreements, we will assume from CreditEase and its affiliates certain target businesses, including online wealth management targeting the mass affluent, unsecured and secured consumer lending, financial leasing, SME lending and other related services and businesses, as well as receive business consulting and other supports from CreditEase, for a total consideration of 106,917,947 newly issued ordinary shares of our company and RMB889 million cash, as may be adjusted in accordance with the pre-agreed mechanism, at the transaction closing. The contemplated transactions are subject to certain closing conditions. It is expected that the target businesses will be consolidated into our consolidated financial statements prior to the closing of the transactions once controls are transferred to us. Concurrently with the execution of foregoing definitive agreements and as a part of the contemplated transactions, we obtained control over CreditEase Puhui Information Consultant (Beijing) Co., Ltd, or Pu Hui, and CreditEase Huimin Investment Management (Beijing) Co., Ltd, or Hui Min, through a series of contractual arrangements and started to consolidate their financial results. See "Item 4. Information on the Company—C. Organizational Structure" for more details of our contractual arrangements with each of Pu Hui and Hui Min.

We currently conduct our online consumer finance marketplace business in China through Heng Ye and Heng Yu Da, and our consolidated variable interest entities, Heng Cheng, Hui Min, Pu Hui and Yi Ren Wealth Management. Heng Cheng operates our website *www.yirendai.com*, an online consumer finance platform that facilitates unsecured consumer loans. Hui Min operates *www.creditease.cn*, an online consumer finance platform that facilitates unsecured consumer loans, secured consumer loans (such as loans secured by vehicles or real estate properties), financial leasing transactions and loans to SMEs. Both Heng Cheng and Hui Min are in the process of renewing their ICP licenses. Pu Hui operates *www.yxpuhui.com* and provides referral and other services through its nationwide service network. Yi Ren Wealth Management operates our wealth management website and mobile application, which serves as an online portal for investment products, including the loan products offered by us as well as other investment products offered by third parties. Yi Ren Wealth Management is in the process of applying for an ICP license. In addition, Yi Ren Information provides assistance to borrowers on our platform in seeking loans from banks and other institutional fund providers.

Our principal executive offices are located at 10/F, Building 9, 91 Jianguo Road, Chaoyang District, Beijing, People's Republic of China. Our telephone number at this address is +86 10 5395-3680.

B. Business Overview

We are a leading fintech company in China connecting investors and individual borrowers. We facilitated loans in an aggregate principal amount of approximately RMB112.5 billion (US$16.4 billion) and served 1,529,840 borrowers and 1,602,530 investors from our inception in March 2012 through December 31, 2018.

Our online platform automates key aspects of our operations and enables us to efficiently match borrowers with investors and execute loan transactions. Leveraging the extensive experience of our parent company CreditEase, we provide an effective solution to address largely underserved investor and individual borrower demand in China. CreditEase is a large financial services company focusing on providing inclusive finance and wealth management products and services in China. Our borrowers come from a variety of channels, including online sources, such as the internet and our mobile applications, as well as offline sources, such as referrals from CreditEase's nationwide service network. In 2016, 2017 and 2018, we facilitated over RMB7,612.7 million, RMB22,537.4 million and RMB22,722.4 million (US$3,304.8 million) in loans through our mobile applications, respectively, representing 37.2%, 54.4% and 58.9% of the total amount of loans facilitated through our marketplace in the respective periods.

Our technology-driven platform provides a flexible, cost-efficient and time-saving solution to address borrowers' financial needs. Our online marketplace offers qualified borrowers who successfully complete our online application and meet our borrower requirements quick and convenient access to affordable credit at competitive prices. All of the loans facilitated through our marketplace feature fixed interest rates. To provide a transparent marketplace, the interest rates, transaction fees and other charges are all clearly disclosed to borrowers upfront.

We believe we have developed an industry leading risk management system using our proprietary credit decisioning and fraud detection modules. We accumulate data from our expanding borrower base and CreditEase's extensive database to continually enhance the sophistication and reliability of our risk management system. Our proprietary risk management system enables us to assess the creditworthiness of borrowers more effectively in a market where reliable credit scores and borrower databases are still at an early stage of development. This system also enables us to appropriately price the risks associated with borrowers and offer quality loan investment opportunities to investors.

Our online marketplace provides investors with attractive returns with investment thresholds as low as RMB100 (US$14.5). Investors have the option to individually select specific loans to invest in or to use our automated investing tool that identifies and selects loans on the basis of a targeted return. We provide investors with access to a liquid secondary market, giving them an opportunity to exit their investments before the underlying loans become due. We currently conduct our business operations exclusively in China, and our online consumer finance marketplace does not facilitate investments by investors located in the United States. Currently, all of the investors come from online channels.

We are transitioning into a comprehensive online financial services platform that enables independent third parties to promote and sell a diversified portfolio of services to cater to various needs of the investors on the platform, including the growing needs of online wealth management services. With the personalized online wealth management services available on our platform, our online wealth management platform is well-positioned to tap into China's individual wealth management market.

We launched an open technology platform named Yirendai Enabling Platform ("YEP") in March 2017, which enables partner companies to utilize Yirendai's data acquisition, anti-fraud technology, as well as customer acquisition capabilities, to help optimize industry's efficiency and enhance customer experience. In the past year, we established strategic partnership with varies financial institutions, including joint-stock banks, city banks, internet banks, insurance companies and trust companies, to provide customer acquisition, preliminary risk assessment, anti-fraud, system building and implementing services.

Through a business realignment with CreditEase, we will further expand our business to cover unsecured and secured consumer lending, financial leasing, SME lending and other related services and businesses, and further expand our online wealth management services to serve a larger group of mass affluent clients.

We generate revenues primarily from fees charged for our services in matching investors with individual borrowers and for other services we provide over the life of a loan. We charge borrowers transaction fees for services provided through our platform in facilitating loan transactions, and charge investors service fees for using our automated investing tool or self-directed investing tool. As an information intermediary, we do not use our own capital to invest in loans facilitated through our marketplace.

Our total net revenues increased from RMB3,238.0 million in 2016 to RMB5,543.4 million in 2017, and further increased to RMB5,620.7 million (US$817.5 million) in 2018. Our net income increased from RMB1,116.4 million in 2016 to RMB1,371.8 million in 2017, and decreased to RMB966.6 million (US$140.6 million) in 2018.

Our Solution

Our marketplace embraces the significant opportunities presented by a financial system that leaves many creditworthy individuals underserved or even unserved. Our online business model, empowered by a technology-driven and user-centric platform, allows us to efficiently match borrowers with investors. We provide borrowers with fast and convenient access to consumer credit at competitive rates, while we offer investors easy and quick access to an alternative asset class with attractive returns.

Our Borrowers

Target Borrower Group

Prior to the completion of our contemplated business realignment with CreditEase, we target prime borrowers, comprising credit card holders with stable credit performance and salary income.

Borrower Profile and Base

Based on the information disclosed to us, as of December 31, 2018, our historical borrower profile was 74.7% male and 25.3% female, while 64.5% were 35 years of age or less.

In 2016, 2017 and 2018, we facilitated loans to 321,019, 649,154 and 553,726 borrowers through our platform, respectively. We do not permit borrowers to hold more than one loan that has been facilitated through our platform at a time. The total amount of funds loaned to borrowers through our platform was RMB20,486.1 million, RMB41,406.1 million and RMB38,606.3 million (US$5,615.1 million) in 2016, 2017 and 2018, respectively.

Borrower Acquisition

We attract a fast growing number of borrowers through various online channels. Our online borrower acquisition efforts are supported by our big data capabilities and are primarily directed toward search engine marketing, search engine optimization, mobile application downloads through major application stores, partnering with online channels through application programming interfaces, as well as various marketing campaigns.

We also acquire borrowers through referrals from CreditEase's nationwide service network across over 267 locations in China as part of our contractual arrangement with CreditEase. Under this arrangement, CreditEase is obligated to refer borrowers who fall within our target borrower group to our online marketplace, in exchange for which we pay CreditEase a referral fee. The cost of services which CreditEase provides to us may from time to time increase, based on commercial negotiations between CreditEase and us. In 2016, pursuant to our contractual agreement with CreditEase, the fee rate for the offline borrower acquisition services which CreditEase provides to us increased from 5% to 6% of the loans facilitated to borrowers referred by CreditEase for the three years starting 2016. After that, the fee rate may be adjusted on a yearly basis based on commercial negotiation, and after taking into consideration the costs to CreditEase for providing such services and with reference to market rates. Once a potential borrower is referred to us, all the remaining aspects of the transaction life cycle are handled by us, with our online marketplace facilitating the loan transaction, from application to credit decisioning to matching and servicing. Our referral arrangement with CreditEase is designed so that CreditEase does not compete with our online consumer finance marketplace business. In 2016, 2017 and 2018, 42.5%, 27.1% and 28.2% of our borrowers were acquired through referrals from CreditEase, respectively. The average size of loans sourced through offline channels tends to be larger than that of loans sourced through online channels.

The following table provides a breakdown of the number of borrowers using our platform by channel:

	For the Year Ended December 31,		
	2016	2017	2018
Number of borrowers[1]:			
Borrowers from online channels	184,430	472,960	397,824
Borrowers from offline channels	136,589	176,194	155,902
Total number of borrowers	321,019	649,154	553,726

(1) The number of borrowers for a specified period represents the number of borrowers whose loans were funded during such period. We do not permit borrowers to hold more than one loan that has been facilitated through our platform at a time. A borrower who obtains loans through our platform from both online and offline channels during a period is counted as a borrower acquired from online channels for the purpose of the table above.

	For the Year Ended December 31,						
	2016		2017		2018		
	RMB	%	RMB	%	RMB	US$	%
	(in thousands)						
Amount of loans facilitated	20,486,128	100.0	41,406,058	100.0	38,606,273	5,615,050	100.0
Loans generated from online channels[1]	7,780,555	38.0	22,543,298	54.4	22,722,351	3,304,829	58.9
Loans generated from offline channels[1]	12,705,573	62.0	18,862,760	45.6	15,883,922	2,310,221	41.1

(1) RMB300.0 million of loans generated from offline channels for 2016 were funded through Trust No. 2. RMB556.8 million of loans generated from offline channels for 2017 were funded through Trust No. 3. RMB196.0 million of loans generated from offline channels for 2017 were funded through Bohai Trust No. 1. RMB17.3 million (US$2.5 million) of loans generated from offline channels for 2018 were funded through Bohai Trust No. 1. RMB361.4 million (US$52.6 million) of loans generated from online channels for 2018 were funded through Trust No. 4. RMB771.0 million (US$112.1 million) of loans generated from online channels for 2018 were funded through Trust No. 5. For more information about the trusts, please see "Item 5. Operating and Financial Review and Prospectus—A. Operating Results—Critical Accounting Policies, Judgments and Estimates—Basis of Presentation, Combination and Consolidation."

The following table provides the number of borrowers and new borrowers who took out a loan during each quarter presented:

	For the Three Months Ended											
	March 31, 2016	June 30, 2016	September 30, 2016	December 31, 2016	March 31, 2017	June 30, 2017	September 30, 2017	December 31, 2017	March 31, 2018	June 30, 2018	September 30, 2018	December 31, 2018
Number of new borrowers	49,772	67,756	90,772	104,160	115,221	126,901	172,169	175,221	140,048	144,086	70,622	82,146
Total number of borrowers	50,542	68,882	92,479	110,785	124,953	138,529	192,725	202,370	174,128	177,754	96,402	111,274

We acquire borrowers through various online channels as well as referrals from CreditEase's nationwide service network. As of December 31, 2018, 12.1% of our cumulative borrowers have borrowed more than one loan on our platform.

Our Investors

Target Investor Group

We accept investments from investors of all income levels. However, we focus our efforts on attracting mass affluent investors. This large and rapidly growing sector of the Chinese population is currently underserved by traditional investment products in China. We seek to attract mass affluent investors because members of this demographic group are a significant untapped source of capital. In the future, we plan to expand our investor base from our current focus on individual investors to also include institutional investors.

Investor Profile and Base

Based on the information disclosed to us, as of December 31, 2018, our historical investor profile was 55.1% male and 44.9% female, while 71.6% were 40 years of age or less.

In 2016, 2017 and 2018, 597,765, 592,642 and 485,519 investors invested through our platform, respectively. The total amount of funds invested by investors through our marketplace was RMB25.0 billion, RMB48.1 billion and RMB46.9 billion (US$6.8 billion) in 2016, 2017 and 2018, respectively.

Investor Acquisition

We attract a fast growing majority of our investors through online channels and currently attract almost all of our investors from such channels. Our investor acquisition efforts are primarily directed towards enhancing our brand name, building investor trust, and word-of-mouth marketing. We also attract investors through CreditEase's nationwide service network, which refers potential investors to our marketplace who have expressed interest in the types of loan products offered on our online marketplace.

The following table provides a breakdown of the number of investors using our platform by channel:

	For the Year Ended December 31,		
	2016	2017	2018
Number of investors[(1)]:			
Investors from online channels	597,765	592,642	485,519
Investors from offline channels	—	—	—
Total number of investors	597,765	592,642	485,519

(1) The number of investors for a specified period represents the number of investors who have made at least one investment in loans during such period. An investor who makes investments through our platform through both online and offline channels during a period is counted as an investor acquired from online channels for the purpose of the table above.

The following table provides the number of investors and new investors who made at least one investment during each quarter presented:

	For the Three Months Ended											
	March 31, 2016	June 30, 2016	September 30, 2016	December 31, 2016	March 31, 2017	June 30, 2017	September 30, 2017	December 31, 2017	March 31, 2018	June 30, 2018	September 30, 2018	December 31, 2018
Number of new investors	163,682	136,120	101,236	111,031	99,016	98,012	114,629	127,558	113,079	93,553	55,480	40,020
Total number of investors	212,318	206,706	177,499	194,505	192,505	199,591	214,967	233,374	214,231	202,380	164,218	144,965

We attract a fast growing majority of our investors through online channels and currently attract almost all of our investors from such channels. Our investor acquisition efforts are primarily directed towards enhancing our brand name, building investor trust, and word-of-mouth marketing. We also attract investors through CreditEase's nationwide service network, which refers potential investors to our marketplace who have expressed interest in the types of loan products offered on our online marketplace.

While we observed fluctuation in the number of new investors in historical periods, the average investment amount of new investors increased continuously. This mainly resulted from our strategy to focus more on acquiring quality investors who are more willing to increase their investment amounts or reinvest on our platform. As of December 31, 2018, 42.1% of our cumulative investors have made more than one investment on our platform.

Our Products and Services

Products Offered to Borrowers

Our online marketplace primarily facilitates standard loan products and FastTrack loan products to borrowers. We believe that these loans are simple and quality credit products that make it easy for borrowers to budget their repayment obligations and meet their financial needs. All of our loan products are unsecured, feature fixed monthly payments and offer terms of 12, 18, 24, 36 or 48 months. In October 2016, we launched a new program named "Top-up Program" whereby we facilitate a new loan for a qualified borrower to payback his or her existing loan on our platform. Top-up Program is a service provided to qualified borrowers to enhance customer experience and serve their lifetime credit needs. The fee structure of loans facilitated under the Top-up Program is the same as other loan products except that we offer a credit of upfront fee of the existing loan to encourage the acceptance of the new loan, which is considered as a cash incentive provided to the borrower and recorded as a reduction to revenue.

Standard Loan Products

In 2016, 2017 and 2018, the average loan amounts for our standard loan products were approximately RMB90,143, RMB102,265 and RMB97,476 (US$14,177), respectively. To apply for a standard loan, a borrower needs to complete an online application providing information such as their PRC identity card information, a bank statement with proof of monthly income and credit report from the PBOC, as well as the desired loan amount and term. In 2016, 2017 and 2018, our standard loan products represented the majority of the loans that were made through our marketplace.

FastTrack Loan Products

FastTrack loans are a product that is currently only available through our mobile applications. These loans can be as large as RMB100,000 (US$14,544). In 2016, 2017 and 2018, the average FastTrack loan amounts were RMB39,272, RMB45,618 and RMB63,276 (US$9,203), respectively. To apply for a FastTrack loan, a borrower completes an online application providing their PRC identity card information, e-commerce account information, mobile phone number, credit card statement and if applicable, PBOC credit report, housing fund information and life insurance policy information, as well as the desired loan amount and duration. This product offers near instantaneous credit approval, allowing qualified borrowers to receive an initial decision in as fast as ten minutes.

Loan Pricing Mechanism

We use a proprietary credit scoring model to assess the creditworthiness of potential borrowers. Our credit scoring model aggregates and analyzes the data submitted by the borrower as well as the data we collect from a number of internal and external sources, and then generates a score for the prospective borrower. In the second quarter of 2017, we launched our new credit scoring system, the Yiren score, which can be used to more accurately characterize a borrower's credit profile. Under this new credit scoring system, we have an upgraded risk grid with five segments, which we refer to as Grade I, Grade II, Grade III, Grade IV and Grade V. The expected M3+ Net Charge-off Rate and actual observed results for each of these customer groups divide potential borrowers into distinctively different credit segments. See "Item 4. Information on the Company—B. Business Overview—Risk Management—Proprietary Credit Scoring Model and Loan Qualification System."

All of the loans offered through our marketplace feature fixed interest rates, which are paid to investors less any defaults over the term of the applicable loan and fees charged to investors. In addition, we charge borrowers transaction fees for matching them with investors. Starting January 2018, insurance and guarantee companies charge borrowers insurance premium and guarantee fees for the insurance and/or guarantee services they provide. Each of these fees is charged as a percentage of the loan contract. A penalty fee for late payment is imposed as a percentage of the amount past due. All fees are clearly disclosed to the borrower upfront.

Services Offered to Investors

Through our marketplace investors have the opportunity to invest in a wide range of loan products with attractive returns. We believe our proprietary credit scoring and fraud detection systems will increase investor confidence in the quality of loans that they are investing in.

Investing Tools

Our online marketplace provides investors with several investing tools.

Automated investing tool. Our automated investing tool represents the most popular way for investors to invest in loans through our marketplace. With our automated investing tool, an investor agrees to invest a specified amount of money to borrowers through our marketplace for a specified period of time. Once an investor commits funds using the tool, his funds are automatically allocated among approved borrowers. Our automated investing tool automatically reinvests investors' funds as soon as a loan is repaid, enabling investors to speed the reinvestment of cash flows without having to continually revisit our website or mobile application. Unless an emergency withdrawal fee is paid, investors using our automated investing tool are not allowed to withdraw their funds prior to the expiration of the specified investment period, which does not necessarily match the term of the loans to which the automated investing tool allocates the investor's funds. In 2016, 2017 and 2018, the vast majority of funds invested by investors through our marketplace were invested utilizing this automated investing tool.

The minimum threshold for a lending commitment made through our automated investing tool is RMB100 (US$14.5). In 2016, 2017 and 2018, the average amounts invested through our automated investing tool by each investor were RMB41,530, RMB80,446 and RMB94,203 (US$13,701), respectively, and the current average annual rates of return to investors after deducting the management fee were up to 10.3%. The specific rate of return offered to an investor using our automated investing tool varies with the duration of the committed investment term, which can be as short as three months, and the average interest returns of the loans to which the automated investing tool allocates the investor's funds, which are also dependent on loan term.

Self-directed investing tool. Our self-directed investing tool enables investors to personally select among the hundreds of new lending opportunities to approved borrowers that are posted on our marketplace every day. After selecting a desired loan, the investor then agrees to lend a specified amount of money to a specific borrower through our marketplace for a specified duration which must match the tenure of the borrower's loan. In order to encourage investors to diversify their risks, we have a policy capping each investor's investment in a given loan at 20% of the loan amount. Our platform provides investors using our self-directed investing tool with the ability to use filters based on credit and application data, such as term, amount and interest rate, to screen loans on our platform for review.

The minimum threshold for a lending commitment made through our self-directed investing tool is RMB100 (US$14.5). In 2016, 2017 and 2018, the average amounts invested through our self-directed investing tool by each investor were RMB58,419, RMB139,136 and RMB183,601 (US$26,704), respectively. The rate of return offered to an investor after deducting the management fee varies with the duration of the investment term, with 9.0% corresponding to a 12-month loan and 10.8% corresponding to a 36-month loan.

Secondary Loan Market

We maintain a secondary loan market on our marketplace where investors can transfer the loans they hold prior to maturity at the fair value of the remaining loans. This secondary loan market is liquid, with loans typically exchanging hands within the same day it is posted. This liquidity offers investors the opportunity to enter and exit their investments without waiting until maturity, increasing their frequency and willingness to lend and, as a result, the amount of funds ultimately available to borrowers.

Wealth Management

We are transitioning into a comprehensive online financial services platform that enables independent third parties to promote and sell a diversified portfolio of services to cater to various needs of the investors on the platform, including the growing needs of online wealth management services. We expand our products and services offering by providing well-selected products of different asset class that are suitable to our mass affluent clients, launching multimedia investor education lessons and building out investment tools, such as online financial advisory tool and pension planning tools.

Fees Charged to Investors

We charge investors various on-going as well as one-time fees, depending on their specific investment activity on our marketplace. We charge investors a monthly management fee for using our automated investing tool and self-directed investing tool. The monthly management fee for using the automated investing tool is the difference between the interest rates on the underlying loans which range from 10.0% and 12.0%, and the targeted returns offered to investors which up to 10.3%. The monthly management fee for using the self-directed investing tool is equal to 10% of the interest that investors receive, which ranges from 10.0% to 12.0%. A one-time fee is charged to all investors for each loan transferred over our secondary loan market.

Our Platform and the Transaction Process

We believe that our platform enables a fast loan application process, a credit assessment that more accurately determines an applicant's creditworthiness and a superior overall user experience. Our platform touches each point of our relationship with our borrowers and investors, from the application process through the funding and servicing of loans.

We provide an automated, streamlined application process. To borrowers and investors alike, the process is designed to appear simple, seamless and efficient but our platform leverages sophisticated, proprietary technology to make it possible. The entire process from initial application to disbursement of funds typically takes 30 minutes to 24 hours.

Stage 1: Application

Our borrower application process begins with the submission of a loan application by a prospective borrower. Borrowers can apply through our website or mobile applications. For borrowers acquired through CreditEase's nationwide service network, a CreditEase salesperson will guide the prospective borrower in completing the application process and input the application and required information into our system. As part of both the online and offline application process, the prospective borrower is asked to provide various personal details. The specific personal details required will depend upon the borrower's desired loan product, but typically include PRC identity card information, employer information, bank account information, credit card information and a credit report from the PBOC. For our FastTrack product, applicants may complete an application on our platform in three steps taking as little as ten minutes, significantly reducing the time normally spent applying for a loan.

New investors sign up to our marketplace using a simple online portal in which they input their PRC identity card information and bank account information. Prior to June 2015, the funds they invested over our marketplace were deposited into a custody account run by any one of a number of established third-party online payment platforms. In August 2015, we fully migrated to a new system whereby China Guangfa Bank took over the investor custody accounts previously managed by the various third party payment platforms.

Stage 2: Verification

Upon submission of a completed application by borrowers from both online and offline channels, our credit models are populated with all information contained in the submitted loan application. Additional data from a number of internal and external sources is then matched with the application, including the following:

Internal	• historical credit data accumulated through our online platform; and
	• behavioral data that we glean from an applicant's behavior as they apply to us for loans, such as the self-reported use of proceeds or use of multiple devices to access our platform;
External	• credit database maintained by CreditEase;

- personal identity information maintained by an organization operated under the Ministry of Public Security;
- personal credit information maintained by an organization operated under the PBOC;
- online data from internet or wireless service providers, including social network information;
- online shopping and payment information for their accounts with certain popular Chinese e-commerce websites;
- credit card statement data authorized by applicants; and
- fraud list and database.

This data is then aggregated and used to verify an applicant's identity, for possible fraud detection and for assessment and determination of creditworthiness.

Stage 3: Anti-Fraud, Credit Assessment and Decisioning

In order to efficiently screen applicants, we have designed an initial qualification phase to review the basic information regarding a prospective borrower that has been submitted with the application and gathered by us from available sources. As a matter of policy, we do not permit borrowers to hold more than one loan that has been facilitated through our platform at a time, although we currently do not have a comprehensive way to determine whether borrowers have obtained loans through other consumer finance marketplaces. Once complete, an initial check is performed using our anti-fraud system, and the prospective borrower's loan application either proceeds to the next phase of the application process or the prospective borrower is notified of the decision to decline the application.

Following initial qualification, we commence a credit review utilizing our proprietary credit scoring model to generate an Yirendai score for the prospective borrower that drives the decision whether to extend credit. Our current proprietary credit-scoring model originates from a credit scoring system that was developed by CreditEase in conjunction with Fair Issac Corporation, or FICO, a leading U.S. provider of analytics software and tools used to manage risk and fight fraud. We have further modified our credit scoring system to adapt it to the realities of the Chinese market, which has historically had no source of widely available consumer credit information. In the second quarter of 2017, we launched our new credit scoring system, the Yiren score, which can be used to more accurately characterize borrower's credit profile. Under this new credit scoring system, we have an upgraded risk grid with five segments, which we refer to as Grade I, Grade II, Grade III, Grade IV and Grade V. Today, our credit scoring system uses our own scoring criteria, and is routinely monitored, tested, updated and validated by our risk management team. Following the generation of the Yirendai score and Yiren score, our credit decisioning system makes a determination as to whether the prospective borrower is qualified. Unqualified borrowers are notified of the decision to decline their applications for failing to meet minimum requirements.

For a potential borrower who passes our initial qualification phase and is applying for our loan products, the application proceeds to our credit assessment team for review. A member of our credit assessment team will first conduct a telephone verification interview with the applicant. After the initial telephone verification interview, at least one member of credit assessment team will analyze the application and Yirendai score or Yiren score. If a member of the credit assessment team suspects there may be fraud involved with a particular loan application or determines that additional verification is needed to complete the credit decisioning process, that team member will conduct further due diligence and verification, such as additional phone calls to the borrower applicant and the applicant's employer that is identified in the application. While these additional steps have led us to discover instances of invalid information provided by prospective borrowers in the past, the number of such instances has not been significant. Following this review, the credit assessment team will either approve the loan as is, approve the loan with one or more modified sets of loan characteristics, or decline the loan application. In 2016, 2017 and 2018, 39.7%, 72.0% and 83.1% of all loan applications that passed the initial qualification phase were approved by our credit assessment team, respectively. The approval rate by our credit assessment team improved as we enhanced our initial qualification process by rejecting non-qualified borrowers at an early stage. In 2016, 2017 and 2018, 14.5%, 16.9% and 16.1% of all loan applications were approved.

Stage 4: Approval, Listing and Funding

Once the loan application is approved, we make a loan agreement available online for the prospective borrower's review and approval. This loan agreement is between the borrower, the investors who fund the borrower's loan and our platform. Upon acceptance of the loan agreement, if the loan has not been matched automatically through automated investing tool, the loan is then listed on our marketplace for investors to view. Once a loan is listed on our marketplace, investors may then subscribe to the loan using either our automated or self-directed investing tools. Before a loan is disbursed to the borrower, it must be fully subscribed to by investors. Our liquidity management system is designed to ensure the fast and effective matching of borrowers' loan applications and investors' investment demand through the use of a detailed demand forecasting model and real time monitoring. Once a loan is fully subscribed, funds are then drawn from a custody account and disbursed to the borrower.

Stage 5: Servicing and Collections

We utilize an automated process for collecting scheduled loan payments from our borrowers. Upon loan origination, we establish a payment schedule with payment occurring on a set business day each month. Borrowers then make scheduled loan repayments via a third-party payment platform to a custody account, and authorize us to debit the custody account for the transfer of scheduled loan repayments to the lending investors. We check the balances in the custody account and reconcile the transactions against our records on a daily basis.

As a day-to-day service to borrowers, we provide payment reminder services such as sending reminder text messages on the day a repayment is due. Once a repayment is past due, we also send additional reminder text messages during the first fourteen days of delinquency.

We outsource all stages of the collections process to CreditEase, which commences once a loan is fifteen days delinquent. To facilitate repayment and as a service to investors, the collections process is divided into distinct stages based on the severity of delinquency, which dictates the level of collection steps taken. For example, reminder text messages and emails are sent to a delinquent borrower as soon as the collections process commences, and if the payment is still outstanding, the collection team will make phone calls, then followed by visits to the delinquent borrower's home. Although all stages of the collections process are outsourced to CreditEase, we handle all decisions to restructure or defer delinquent loans that are above a certain threshold, while CreditEase collection teams have the discretion to make decisions for the loans that are below such threshold.

Risk Management

Traditional risk management tools and the types of consumer finance data available in developed economies, such as widely available consumer credit reporting services, are currently at an early stage of development in China. We believe our industry leading risk management capabilities provide us with a competitive advantage in attracting capital to our marketplace by providing investors with comfort that they are investing in high quality loans through a sustainable marketplace.

Proprietary Fraud Detection System

We use a proprietary fraud detection system, which is part of our larger risk management system, to identify and reject potential borrower applications. Our system combines quantitative modeling, internet technology, offline verification and the use of third-party services. The quantitative modeling aspect of our fraud detection system involves the use of a big data platform to locate potential inconsistencies in a particular borrower application. The internet technology aspect includes IP verification and monitoring. Our offline verification activities involve members of our credit assessment team speaking with potential borrowers to inquire after any inconsistencies in a loan application. Our big data platform is also used to enhance our offline verification processes. Lastly, we employ third-party services to check the online behavior of potential borrowers, and utilize government agency's open database to check their identity card numbers against known criminals. We also maintain a blacklist after detecting any fraudulent borrowers. Currently, our risk management system utilizes over 250 decisioning rules and contains a blacklist with over 1,000,000 fraud detection data points.

Proprietary Credit Scoring Model and Loan Qualification System

We use a proprietary credit scoring model to assess the creditworthiness of potential borrowers. This credit scoring model originates from a credit scoring system that was developed by CreditEase in conjunction with FICO. We have further modified our credit scoring model to adapt it to the realities of the Chinese market, which has historically had no source of widely available consumer credit information. Our credit scoring model aggregates and analyzes the data submitted by the borrower as well as the data we collect from a number of internal and external sources, and then generates a score for the prospective borrower. In the second quarter of 2017, we launched our new credit scoring system, the Yiren score, which can be used to more accurately characterize borrower's credit profile. Our relationship with CreditEase allows us to further enhance the depth of our credit scoring model through our ability to rely on its over ten years of loan data. In addition to its strong analytical foundation, our credit scoring model is routinely monitored, tested, updated and validated by our risk management team.

The following table presents the key criteria that materially impact a borrower's credit score:

Criteria	Examples	Effect on Credit Score
Purpose of the loan	Personal consumption	• No monotonic correlation
Customer attributes	Education background	• Positive correlation • Higher education leads to higher score
Usage and performance of the loans from other financial institutions	Maximum amount of loans that the borrower has borrowed from commercial banks	• Positive correlation • The larger the amount of bank loans, the higher the score
Credit card usage and payment pattern	Frequency of credit card usage	• Negative correlation • Above a certain threshold, the higher the frequency of credit card usage, the lower the score
Public record	Court enforcement record	• No monotonic correlation • A borrower's score is lower if he/she has been subject to court enforcement • A borrower's score is lower if he/she has been subject to court enforcement
Income and debt condition	Salaries	• Positive correlation • Below a certain threshold, the higher the salary, the higher the score
Geographic location	Province or city where the borrower is located	• No monotonic correlation • A borrower's score is lower if he/she is located in a province or city where we face intense market competition
Job stability	Length of employment	• Positive correlation • The longer the employment, the higher the score
Online merchant purchasing pattern	Recent average consumption level	• Positive correlation • The higher the recent average consumption level, the higher the score

The credit scores derived from our proprietary credit scoring model containing the criteria mentioned above are used to determine which of the segments in our risk grid a particular borrower falls into.

Under our new credit scoring system, we have an upgraded risk grid with five segments, which we refer to as Grade I, Grade II, Grade III, Grade IV and Grade V. The expected M3+ Net Charge-off Rate and actual observed results for each of these customer groups divide potential borrowers into distinctively different credit segments. The following table presents the risk grades with the corresponding Yiren scores, the expected M3+ Net Charge-off Rate, the current annualized interest rate and the average transaction fee rate:

Risk Grade	Yiren Scores	Expected M3+ Net Charge-off Rate	Annualized Interest Rate [1]	Average Transaction Fee Rate Covered by QAP [2]	Average Transaction Fee Rate Covered by CAP and Surety Insurance [2]
I	790+	<3.0%	10.0-12.0%	23.0%	13.3%
II	750-<790	3.0% - 5.0%	10.0-12.0%	29.5%	18.4%
III	720-<750	5.0% - 7.0%	10.0-12.0%	33.8%	18.9%
IV	690-<720	7.0% - 9.0%	10.0-12.0%	34.2%	18.0%
V	640-<690	9.0% - 13.0%	10.0-12.0%	35.4%	13.1%

(1) The annualized interest rate that borrowers pay to investors varies from 10.0% to 12.0%, depending on the term of the loan.

(2) Under our previous quality assurance program, the transaction fee rate is calculated as the total transaction fee (excluding interests but including the fee we charge for our services associated with the quality assurance program) that borrowers should pay for the entire life of the loan, divided by the total amount of principal. In January 2018, we began to cooperate with insurance and guarantee companies while discontinuing the operation of the quality assurance program in May 2018, insurance premium and guarantee fees charged by insurance and guarantee companies are excluded in the calculation of transaction fee rate. The average transaction fee rate presented in the table above is the weighted average of the transaction fee rates for loans falling under the same risk grade, but with different tenures and repayment schedules.

We allow prospective borrowers who initially fail to meet our borrower criteria to reapply for a loan after a certain period of time, typically six months, if they are able to demonstrate a verifiable improvement in the criteria that impact their Yiren score. For prospective borrowers that we determine present a fraud risk, reapplications are never permitted.

Our Risk Management Committee, Risk Management Division and Credit Assessment Team

Organizationally, we have a risk management committee, comprised of our executive chairman, chief executive officer, co-chief financial officers and chief risk officer, that meets monthly to examine the credit, liquidity and operational risks on our platform.

We have an independent risk management division, responsible for loan performance analysis, credit model validation and credit decisioning performance. This division engages in various risk management activities, including reporting on performance trends, monitoring of loan concentrations and stability, performing economic stress tests on loans, randomly auditing loan decisions by our credit assessment team members and conducting peer benchmarking and external risk assessments.

Our credit assessment team consisted of 34 members as of December 31, 2018. Each application for loan products received through our platform is reviewed by at least one member of our credit assessment team. Members of our credit assessment team analyze loan applications and also assist with fraud detection and borrower verification, leveraging skills learned through training and on-the-job experience to evaluate loans on the basis of direct communications with potential borrowers. For each loan application, at least one member of credit assessment team will analyze the application and Yirendai score or Yiren score.

Loan Servicing and Collections

Our technology platform is capable of monitoring and tracking payment activity. With built-in payment tracking functionality and automated missed payment notifications, the platform allows us to monitor the performance of outstanding loans on a real-time basis.

CreditEase has developed a strategy to optimize the collections process for our delinquent loans. Our collections process is divided into distinct stages based on the severity of delinquency, which dictates the level of collection steps taken. Loans progress through the collection cycle based upon the number of days past due but can be accelerated based on specific circumstances.

Investor Protection

Our investor protection mechanisms have evolved over the years, in response to the changing regulatory requirements.

Quality Assurance Program and Alternative Investor Protections Provided by Third Parties

Prior to August 2013, we offered investors an investor protection service in the form of a quality assurance program, whereby we set aside a portion of the service fees we received in the quality assurance program. In the event that a loan defaults for more than fifteen days, we will use cash from the quality assurance program to pay the loan principal and accrued interest to the investor. According to our agreements with investors, our contractual obligation for repayment of defaulted loans is limited to the amount of cash we set aside in the quality assurance program. We charged investors a quality assurance program management fee at a rate of 10% of the loan interest for this service.

In August 2013, we replaced the previous quality assurance program with a guarantee system. Under this system, we worked with Tian Da Xin An (Beijing) Guarantee Co., Ltd., or Tian Da Xin An, a guarantee company then affiliated with CreditEase, to provide investors with the option of purchasing the assurance that their principal and interest would be repaid in the event that their loans defaulted, and the guarantee company charged investors 10% of the loan interest for the guarantee service. Historically, more than 99% of investors opted into the guarantee system. When we switched to the guarantee model in August 2013, we paid Tian Da Xin An a one-time fee of US$0.3 million for its assumption of the outstanding loan balances covered under our previous quality assurance program.

Starting on January 1, 2015, we ended our relationship with Tian Da Xin An and launched our renewed quality assurance program while Tian Da Xin An continued to guarantee all previously guaranteed loans. The renewed quality assurance program covered loans originated on or after January 1, 2015 until May 2018 when we discontinued the operation of the quality assurance program. Under this arrangement, at the inception of each loan we set aside cash in an amount equal to a certain percentage of the loan amount facilitated on our platform in an interest-bearing custody account managed by China Guangfa Bank. We reserve the right to revise this percentage upwards or downwards from time to time. The factors that we consider in determining such percentage include market dynamics, our product lines, profitability, cash position and our actual and expected quality assurance net payouts.

Under the quality assurance arrangement, if a borrower is 15 days delinquent in repaying an installment of principal and interest of a loan, we will withdraw an amount from the custody account to repay the delinquent installment of principal and interest to the corresponding investor. If a borrower is 90 days delinquent in repaying an installment of principal and interest on a loan, we will withdraw an amount from the custody account to repay the delinquent installment principal and interest, plus the entire outstanding balance of the loan principal, to the corresponding investor. If the quality assurance program becomes insufficient to pay back all the investors with delinquent loans, these investors will be repaid on a pro rata basis. Prior to July 2017, their outstanding unpaid balances would be deferred to the next time the quality assurance program was replenished, at which time a distribution would again be made to all investors with delinquent loans. Following replenishment of the quality assurance program, in the event that the amount of funds was again insufficient to pay back all investors with delinquent loans, the investors would again be repaid on a pro rata basis, although in this case the number of investors sharing pro rata in the quality assurance program would increase to include the unpaid investors from prior periods as well as the unpaid investors from the current period. If the quality assurance program was continually underfunded, investors may need to wait for extended periods to receive a full distribution from the quality assurance program, or incur a loss on their investment if the quality assurance program was not sufficient. In addition, from November 2015 to July 2017, we placed a two-year limit on the period during which an investor had the right to receive distribution from the quality assurance program, which meant if an investor had not recovered the full default amount by the time that was two years and 90 days from the original due date, then the investor would no longer have the right to receive pro rata repayment from our quality assurance program. After July 2017, after being repaid on a pro rata basis in the event the quality assurance program becomes insufficient to pay back all the investors with delinquent loans, the investors' outstanding unpaid balances would not be deferred to the next time the quality assurance program was replenished. As a result, investors will bear the risk that they will not be able to fully recover their investment principal and unpaid interest.

Once we make a payment to an investor, we seek to collect the amounts from the borrower through the collection process. The amount collected from the borrower, if any, is remitted to first replenish the portion of the quality assurance program used to repay the investor, and if there is any additional amount remaining, then to reimburse our collection expenses. If we are not successful in collecting a sufficient amount from the default borrower to cover our collection expenses, our quality assurance service agreement with investors calls for investors to reimburse us for any litigation or arbitration expenses we may have advanced on their behalf during the collection process, although in practice we will bear the unrecovered portion of these and all other collection expenses.

In the first three quarters of 2015, the amount of cash we set aside for the quality assurance program is equivalent to 6% of the loans facilitated through our marketplace during the period. This amount was not sufficient to cover all expected net payouts for loans facilitated during this period.

In the fourth quarter of 2015, in order to continue to attract new and retain existing investors and to remain consistent with the current industry practice in China, we revised our quality assurance program funding policy to ensure that we set aside sufficient cash in the quality assurance program to cover the expected net payouts, based on our business intention but not legal obligation. In addition to setting aside a certain percentage of the loan amount at the inception of each loan, we monitor the balance of the quality assurance program on a monthly basis, and adjust on a quarterly basis by putting an appropriate additional amount of cash from other sources into the quality assurance program as needed to ensure we can sufficiently cover the expected net payouts. Moreover, in July 2017, we changed our funding policy for our quality assurance program. Instead of setting aside the full amount to be contributed to the program in a lump sum, we contribute to the program in installments with each instalment equal to 30% of transaction fee we receive from the borrower each time until the full amount is contributed.

To ensure compliance with regulatory requirements, starting from January 2018, we entered into a three-year business agreement with PICC Property and Casualty Company Limited. Pursuant to the business agreement, PICC Property and Casualty Company Limited provides surety insurance for loans facilitated through our online marketplace with 12-month term and with an amount not exceeding RMB200,000 (approximately US$29,089), and will reimburse investors their principal and expected interest in the event of loan default within the agreed scope of the agreement. In March 2018, we began to cooperate with guarantee companies to establish the credit assurance program. Under the credit assurance program, the guarantee companies either provide guarantee for loans facilitated through our online marketplace for the assurance that investors' principal and interest would be repaid in case of loan default, or set up and managed a reserve fund, using payments collected from borrowers, to compensate investors for their potential loss due to loan default up to the cash available in the fund. Subsequently in May 2018, we discontinued the operation of our quality assurance program by transferring our liabilities associated with the quality assurance program to a third-party guarantee company at an estimated fair value. Since then, loans facilitated on our platform are either covered by the credit assurance program operated by the guarantee companies or PICC's surety insurance program.

Risk Prevention Services to an Institutional Investor

From August 2017 to December 2017, we cooperated with Zhejiang Chouzhou Commercial Bank, which made its own lending decisions in certain loans facilitated on our platform. Pursuant to the cooperation agreement, we, together with CreditEase, furnished borrower referral and facilitation services to the bank with a maximum loan amount of RMB3 billion by assessing and providing a preliminary assessment of borrowers' credit risks to the bank to facilitate its own lending decision, which was subject to its own assessments of borrowers' credit risks and own loan approvals. We provided guarantee deposits to the bank to protect it from potential losses due to loan delinquency and undertook to replenish such deposit from time to time. We also undertake to repay the bank on behalf of defaulting borrowers if any repayment is 80 days overdue and upon such full repayment to the bank we will obtain the creditor's rights in respect of the relevant default amount.

For our liabilities associated with the quality assurance program and guarantee, see "Item 5. Operating and Financial Review and Prospects—A. Operating Results—Selected Statements of Operations Items—Quality Assurance Program and Guarantee."

Our Technology

We believe our technology platform is a competitive advantage and an important reason that borrowers and investors utilize our marketplace. Key features of our technology platform include:

- *Highly automated process*. Our platform covers all five stages of the customer life cycle: application; verification; credit assessment and decisioning; listing and funding; and servicing and collections. Our web and mobile based platform also provides a superior customer experience. We offer a fast and easy-to-use online application process and provide both borrowers and investors with access to live support and online tools throughout the process and for the lifetime of the loan or investment. Our liquidity management system is designed to ensure the fast and effective matching of borrowers' loan applications and investors' investment demand by forecasting the borrowing demand on a weekly and monthly basis and monitoring the fund flow on a real time basis.

- *Mobile applications*. We have developed different user-friendly mobile applications for borrowers and investors, which enable borrowers and investors alike to access our platform at any time or location that is convenient. We launched our first mobile application during the fourth quarter of 2013, and approximately 37.2%, 54.4% and 58.9% of loans in terms of amount were facilitated through our mobile applications in 2016, 2017 and 2018, respectively.

- *Proprietary fraud detection*. We use a combination of current and historical data obtained during the application process, third-party data and sophisticated analytical tools to help determine an application's fraud risk. High risk applications are subject to further investigation. In case where fraud is confirmed, the application is cancelled, and we identify and flag characteristics of the loan to help refine our fraud detection efforts.

- *Scalable platform*. Our platform is built on a distributed, load-balanced computing infrastructure, which is both highly scalable and reliable. The infrastructure can be expanded easily as data storage requirements and user visits increase. We have designed a unified platform, which administrates all systems and servers and can reconfigure or redeploy systems or servers automatically whenever needed.

- *Data security*. Our network is configured with multiple layers of security to isolate our databases from unauthorized access and we use sophisticated security protocols for communication among applications. To prevent unauthorized access to our system we utilize a system of firewalls and also maintain a perimeter network, or DMZ, to separate our external-facing services from our internal systems. Our entire website and public and private APIs use the Secure Sockets Layer networking protocol.

- *Stability*. Our systems infrastructure is hosted in co-located redundant data centers in two separate districts in Beijing. We have multiple layers of redundancy to ensure the reliability of our network. We also have a working data redundancy model with comprehensive backups of our databases and our development environment conducted every day.

Brand Promotion

Our general marketing efforts are designed to build brand awareness and reputation and to attract and retain borrowers and investors. We believe reputation and word-of-mouth drive continued organic growth in our borrower and investor bases. In this respect, our association with CreditEase is a valuable marketing and promotion asset.

Competition

The online consumer finance marketplace industry in China is intensely competitive and we compete with other consumer finance marketplaces. Our key competitor is Lufax (陆金所). In light of the low barriers to entry in the online consumer finance industry, more players may enter this market and increase the level of competition. We anticipate that more established internet, technology and financial services companies that possess large, existing user bases, substantial financial resources and established distribution channels may enter the market in the future.

We also compete with other financial products and companies that attract borrowers, investors or both. With respect to borrowers, we compete with other consumer finance marketplaces and traditional financial institutions, such as consumer finance business units in commercial banks, credit card issuers and other consumer finance companies. With respect to investors, we primarily compete with other investment products and asset classes, such as equities, bonds, investment trust products, bank savings accounts and real estate.

Intellectual Property

We regard our trademarks, domain names, know-how, proprietary technologies and similar intellectual property as critical to our success, and we rely on trademark and trade secret law and confidentiality, invention assignment and non-compete agreements with our employees and others to protect our proprietary rights. As of the date of this annual report, we have obtained 240 registered trademarks and have made applications for 133 trademarks, all of which are pending with the Trademark Office of the National Intellectual Property Administration. As of the date of this annual report, a total of 44 trademarks have been transferred to us by CreditEase. We have also obtained a worldwide and royalty-free license from CreditEase to use certain of its trademarks, including "宜信" (Chinese equivalent for CreditEase).

Despite our efforts to protect our proprietary rights, unauthorized parties may attempt to copy or otherwise obtain and use our technology. Monitoring unauthorized use of our technology is difficult and costly, and we cannot be certain that the steps we have taken will prevent misappropriation of our technology. From time to time, we may have to resort to litigation to enforce our intellectual property rights, which could result in substantial costs and diversion of our resources.

In addition, third parties may initiate litigation against us alleging infringement of their proprietary rights or declaring their non-infringement of our intellectual property rights. In the event of a successful claim of infringement and our failure or inability to develop non-infringing technology or license the infringed or similar technology on a timely basis, our business could be harmed. Moreover, even if we are able to license the infringed or similar technology, license fees could be substantial and may adversely affect our results of operations.

See "Item 3. Key Information—D. Risk Factors—Risks Related to Our Business—We may not be able to prevent others from unauthorized use of our intellectual property, which could harm our business and competitive position." and "Item 3. Key Information—D. Risk Factors—Risks Related to Our Business—We may be subject to intellectual property infringement claims, which may be expensive to defend and may disrupt our business and operations."

Insurance

We maintain property insurance policies covering certain equipment and other property that are essential to our business operation to safeguard against risks and unexpected events. We also provide social security insurance including pension insurance, unemployment insurance, work-related injury insurance and medical insurance for our employees. We do not maintain business interruption insurance or general third-party liability insurance, nor do we maintain product liability insurance or key-man insurance. We consider our insurance coverage to be sufficient for our business operations in China.

Seasonality

We experience seasonality in our business, reflecting seasonal fluctuations in internet usage and traditional personal consumption patterns, as our individual borrowers typically use their borrowing proceeds to finance their personal consumption needs. For example, we generally experience lower transaction value on our online consumer finance marketplace during national holidays in China, particularly during the Chinese New Year holiday season in the first quarter of each year. Overall, the historical seasonality of our business has been mild due to our rapid growth prior to 2018 but may increase further in the future. Due to our limited operating history, the seasonal trends that we have experienced in the past may not apply to, or be indicative of, our future operating results.

Regulation

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

As an online consumer finance marketplace connecting investors with individual borrowers, we are regulated by various government authorities, including, among others:

- the Ministry of Industry and Information Technology, or the MIIT, regulating the telecommunications and telecommunications-related activities, including, but not limited to, the internet information services and other value-added telecommunication services;
- the People's Bank of China, or the PBOC, as the central bank of China, regulating the formation and implementation of monetary policy, issuing the currency, supervising the commercial banks and assisting the administration of the financing;
- China Banking and Insurance Regulatory Commission, or the CBIRC, a newly established public institution in April 2018 which has consolidated the duties of the former China Banking Regulatory Commission and the duties of the former China Insurance Regulatory Commission, regulating financial institutions and promulgating the regulations related to the administration of financial institutions.

Regulations Relating to Foreign Investment

PRC Foreign Investment Law

The Foreign Investment Law was formally adopted by the Second session of the 13th National People's Congress on March 15, 2019, which will come into effect on January 1, 2020 and, together with their implementation rules and ancillary regulations, will replace the trio of existing laws regulating foreign investment in China, namely, the Sino-foreign Equity Joint Venture Enterprise Law, the Sino-foreign Cooperative Joint Venture Enterprise Law and the Wholly Foreign-invested Enterprise Law. The organization form, organization and activities of foreign-invested enterprises shall be governed, among others, by the laws of the Company Law of the People's Republic of China and the Partnership Enterprise Law of the People's Republic of China. Foreign-invested enterprises established before the implementation of this Law may retain the original business organization and so on within five years after the implementation of this Law.

The Foreign Investment Law is formulated to further expand opening-up, vigorously promote foreign investment and protect the legitimate rights and interests of foreign investors. According to the Foreign Investment Law, foreign investments are entitled to pre-entry national treatment and are subject to negative list management system. The pre-entry national treatment means that the treatment given to foreign investors and their investments at the stage of investment access shall not be less favorable than that of domestic investors and their investments. The negative list management system means that the state implements special administrative measures for access of foreign investment in specific fields. The Foreign Investment Law does not mention the relevant concept and regulatory regime of VIE structures, please refer to "Risk Factors — Uncertainties exist with respect to the interpretation and implementation of the newly enacted PRC Foreign Investment law and how it may impact the viability of our current corporate structure, corporate governance and business operations"

Foreign investors' investment, earnings and other legitimate rights and interests within the territory of China shall be protected in accordance with the law, and all national policies on supporting the development of enterprises shall equally apply to foreign-invested enterprises. Among others, the state guarantees that foreign invested enterprises participate in the formulation of standards in an equal manner and that foreign-invested enterprises participate in government procurement activities through fair competition in accordance with the law. Further, the state shall not expropriate any foreign investment except under special circumstances. In special circumstances, the state may levy or expropriate the investment of foreign investors in accordance with the law for the needs of the public interest. The expropriation and requisition shall be conducted in accordance with legal procedures and timely and reasonable compensation shall be given. In carrying out business activities, foreign invested enterprises shall comply with relevant provisions on labor protection, social insurance, tax, accounting, foreign exchange and other matters stipulated in laws and regulations.

Industry Catalog and Negative List Relating to Foreign Investment

Investment activities in the PRC by foreign investors are principally governed by the Guidance Catalog of Industries for Foreign Investment, or the Catalog, which was promulgated and is amended from time to time by the MOC and the National Development and Reform Commission. The most updated version of the Catalogue, which was promulgated in March 2017 and became effective in July 2017, divides the industries into three categories: encouraged, restricted and prohibited. On June 28, 2018, the NDRC and the MOC jointly issued the List of Special Management Measures for the Market Entry of Foreign Investment, or the Foreign Investment Negative List, which became effective on July 28, 2018 and sets forth management measures for the market entry of foreign investors, such as equity requirements and senior manager requirements. According to the Negative List, foreign investors shall comply with such restrictive requirements when engaging in the restricted activities listed in the Negative List and shall not engage in the prohibited activities listed in the Negative List. Industries not listed in the Catalog or the Negative List are generally deemed as constituting a fourth "permitted" category. Establishment of wholly foreign-owned enterprises is generally allowed in encouraged and permitted industries.

Our PRC subsidiaries are mainly engaged in providing investment and financing consultations and technical services, which fall into the "encouraged" or "permitted" category under the Catalog. Our PRC subsidiaries have obtained all material approvals required for its business operations. However, industries such as value-added telecommunication services (except e-commerce), including internet information services, are restricted from foreign investment. We provide the value-added telecommunication services that are in the "restricted" category through our consolidated variable interest entities, Heng Cheng, Yi Ren Wealth Management and Hui Min.

Foreign Investment in Value-Added Telecommunication Services

The Provisions on Administration of Foreign Invested Telecommunications Enterprises promulgated by the State Council in December 2001 and subsequently amended respectively in September 2008 and February 2016 prohibit a foreign investor from owning more than 50% of the total equity interest in any value-added telecommunications service business in China and require the major foreign investor in any value-added telecommunications service business in China have a good and profitable record and operating experience in this industry. The Guidance Catalog of Industries for Foreign Investment amended in 2017 and Circular 196 promulgated by MIIT in June 2015 allow a foreign investor to own more than 50% of the total equity interest in an online data processing and transaction business (e-commerce business).

In July 2006, the Ministry of Information Industry, the predecessor of the MIIT, issued the Circular on Strengthening the Administration of Foreign Investment in the Operation of Value-added Telecommunications Business, pursuant to which a domestic PRC company that holds an operating license for value-added telecommunications business, which we refer to as the VATS License, is prohibited from leasing, transferring or selling the VATS License to foreign investors in any form and from providing any assistance, including resources, sites or facilities, to foreign investors that conduct a value-added telecommunications business illegally in China. Further, the domain names and registered trademarks used by an operating company providing value-added telecommunications services must be legally owned by that company or its shareholders. In addition, the VATS License holder must have the necessary facilities for its approved business operations and to maintain the facilities in the regions covered by its VATS License.

In light of the above restrictions and requirements, we operate our online marketplaces through Heng Cheng, Hui Min and Yi Ren Wealth Management, our consolidated variable interest entities. Heng Cheng and Hui Min are in the process of renewing their ICP Licenses, the VATS Licenses for internet information services, and Yi Ren Wealth Management is in the process of applying for an ICP License. Certain trademarks relating to our value-added telecommunications business have been transferred to us by CreditEase, in order to comply with the requirement that registered trademarks used by an operating company providing value-added telecommunications services must be legally owned by that company or its shareholders.

Regulations Relating to Online Lending Information Intermediary

Due to the relatively brief history of the online lending information intermediary service industry in China, the regulatory framework governing our industry have undergone significant changes in recent years and may continue to evolve. In addition, there are certain other general rules, laws and regulations that may be relevant or applicable to the online lending information intermediary service industry, including the PRC Contract Law, the General Principles of the Civil Law of the PRC, and related judicial interpretations promulgated by the Supreme People's Court.

Regulations on Loans between Individuals

The PRC Contract Law governs the formation, validity, performance, enforcement and assignment of contracts. The PRC Contract Law confirms the validity of loan agreement between individuals and provides that the loan agreement becomes effective when the individual lender provides the loan to the individual borrower. The PRC Contract Law requires that the interest rates charged under the loan agreement must not violate the applicable provisions of the PRC laws and regulations. In accordance with the Provisions on Several Issues Concerning Laws Applicable to Trials of Private Lending Cases issued by the Supreme People's Court on August 6, 2015, or the Private Lending Judicial Interpretations, which came into effect on September 1, 2015, private lending is defined as financing between individuals, legal entities and other organizations. When private loans between individuals are paid by wire transfer, through online lending information intermediaries or by other similar means, the loan contracts between individuals are deemed to be validated upon the deposit of funds to the borrower's account. In the event that the loans are made through an online lending information intermediary, which only provides intermediary services, the courts will dismiss the claims of the parties concerned against the platform demanding the repayment of loans by the platform as guarantors. However, if the online lending information intermediary guarantees repayment of the loans as evidenced by its web page, advertisements or other media, or the court is provided with other proof, the lender's claim alleging that the online lending information intermediary assumes the obligations of a guarantor will be upheld by the courts. The Private Lending Judicial Interpretations also provide that agreements between the lender and borrower on loans with interest rates below 24% per annum are valid and enforceable. As to loans with interest rates per annum between 24% and 36%, if the interest on the loans has already been paid to the lender, and so long as such payment has not damaged the interest of the state, the community and any third parties, the courts will turn down the borrower's request to demand the return of the interest payment. If the annual interest rate of a private loan is higher than 36%, the excess will not be enforced by the courts. The Supreme People's Court issued Certain Opinions Concerning Further Strengthening Finance Judgment Work on August 4, 2017, or the Opinions on Finance Judgment, which provides that the courts in adjudication of private loan disputes should invalidate contractual provisions attempting to circumvent the cap on judicially-protected interest rate, such as pre-deduction of principal or interest, or disguised high interest rate, and if online lending information intermediaries and lenders seek to use the form of intermediary charges to circumvent the cap on judicially-protected interest rate, it should be invalidated.

In December 2017, the Leading Group Office of the Internet Financial Risk Rectification Campaign and the National Rectification Office jointly issued the Notice on Rectification of Cash Loan Businesses, or Circular 141, which requires that the interests and all the comprehensive capital costs charged and collected from a borrower should be uniformly converted into an annualized capital cost which shall not exceed the ceiling amount provided by the Private Lending Judicial Interpretations. See "—Our Products and Services—Loan Pricing Mechanism."

Pursuant to the PRC Contract Law, a creditor may assign its rights under an agreement to a third party, provided that the debtor is notified. Upon due assignment of the creditor's rights, the assignee is entitled to the creditor's rights and the debtor must perform the relevant obligations under the agreement for the benefit of the assignee. We operate a secondary loan market on our platform where investors can transfer the loans they hold to other investors before the loan reaches maturity. To facilitate the assignment of the loans, the template loan agreement applicable to the lenders and borrowers on our platform specifically provides that a lender has the right to assign his/her rights under the loan agreement to any third parties and the borrower agrees to such assignment.

In addition, according to the PRC Contract Law, an intermediation contract is a contract whereby an intermediary presents to its client an opportunity for entering into a contract or provides the client with other intermediary services in connection with the conclusion of a contract, and the client pays the intermediary service fees. Our business of connecting investors with individual borrowers may constitute intermediary service, and our service agreements with borrowers and investors may be deemed as intermediation contracts under the PRC Contract Law. Pursuant to the PRC Contract Law, an intermediary must provide true information relating to the proposed contract. If an intermediary conceals any material fact intentionally or provides false information in connection with the conclusion of the proposed contract, which results in harm to the client's interests, the intermediary may not claim for service fees and is liable for the damages caused.

Regulations on Illegal Fund-Raising

Raising funds by entities or individuals from the general public must be conducted in strict compliance with applicable PRC laws and regulations to avoid administrative and criminal liabilities. The Measures for the Banning of Illegal Financial Institutions and Illegal Financial Business Operations promulgated by the State Council in July 1998 and amended in January 2011, and the Notice on Relevant Issues Concerning the Penalty on Illegal Fund-Raising issued by the General Office of the State Council in July 2007, explicitly prohibit illegal public fund-raising. The main features of illegal public fund-raising include: (i) illegally soliciting and raising funds from the general public by means of issuing stocks, bonds, lotteries or other securities without obtaining the approval of relevant authorities, (ii) promising a return of interest or profits or investment returns in cash, properties or other forms within a specified period of time, and (iii) using a legitimate form to disguise the unlawful purpose.

To further clarify the criminal charges and punishments relating to illegal public fund-raising, the Supreme People's Court promulgated the Judicial Interpretations to Issues Concerning Applications of Laws for Trial of Criminal Cases on Illegal Fund-Raising, or the Illegal Fund-Raising Judicial Interpretations, which came into force in January 2011. The Illegal Fund-Raising Judicial Interpretations provide that a public fund-raising will constitute a criminal offense related to "illegally soliciting deposits from the public" under the PRC Criminal Law, if it meets all the following four criteria: (i) the fund-raising has not been approved by the relevant authorities or is concealed under the guise of legitimate acts; (ii) the fund-raising employs general solicitation or advertising such as social media, promotion meetings, leafleting and SMS advertising; (iii) the fundraiser promises to repay, after a specified period of time, the capital and interests, or investment returns in cash, properties in kind and other forms; and (iv) the fund-raising targets at the general public as opposed to specific individuals. An illegal fund-raising activity will be fined or prosecuted in the event that it constitutes a criminal offense. Pursuant to the Illegal Fund-Raising Judicial Interpretations, an offender that is an entity will be subject to criminal liabilities, if it illegally solicits deposits from the general public or illegally solicits deposits in disguised form (i) with the amount of deposits involved exceeding RMB1,000,000 (US$145,444), (ii) with over 150 fund-raising targets involved, or (iii) with the direct economic loss caused to fund-raising targets exceeding RMB500,000 (US$72,722), or (iv) the illegal fund-raising activities have caused baneful influences to the public or have led to other severe consequences. An individual offender is also subject to criminal liabilities but with lower thresholds. In addition, an individual or an entity who has aided in illegal fund-raising from the general public and charges fees including but not limited to agent fees, rewards, rebates and commission, constitute an accomplice of the crime of illegal fund-raising. In accordance with the Opinions of the Supreme People's Court, the Supreme People's Procurator and the Ministry of Public Security on Several Issues concerning the Application of Law in the Illegal Fund-Raising Criminal Cases, the administrative proceeding for determining the nature of illegal fund-raising activities is not a prerequisite procedure for the initiation of criminal proceeding concerning the crime of illegal fund-raising, and the administrative departments' failure in determining the nature of illegal fund-raising activities does not affect the investigation, prosecution and trial of cases concerning the crime of illegal fund-raising.

We have taken measures to avoid conducting any activities that are prohibited under the illegal-funding related laws and regulations. We act as a platform for borrowers and investors and are not a party to the loans facilitated through our platform. In addition, we do not directly receive any funds from investors in our own accounts as funds loaned through our platform are deposited into and settled by a third-party custody account managed by China Guangfa Bank.

Regulations on Online Lending Information Intermediary Service Provider

In July 2015, ten PRC regulatory agencies, including the PBOC, the MIIT and the CBRC, jointly issued the Guidelines on Promoting the Healthy Development of Online Finance Industry, or the Guidelines. The Guidelines sets forth certain core principles for the online lending information intermediary service industry. Based on the core principles under the Guidelines, in August 2016, the CBRC, the MIIT, the PRC Ministry of Public Security and the PRC State Internet Information Office issued the Interim Measures on Administration of Business Activities of Online Lending Information Intermediaries, or the Interim Measures. The Interim Measures defines online lending as the direct lending among individuals (including natural persons, legal persons and other organizations) through Internet platforms, and the online lending information intermediaries as the legally established financial information intermediaries specialized in the online lending information intermediary business, which provide, mainly through Internet, such services as information collection, information release, credit assessment, information exchange, and lending matchmaking to facilitate the direct lending between borrowers and lenders.

The Interim Measures require the online lending information intermediaries and their branches that propose to carry out the online lending information intermediary services to file a record with the local financial regulatory department at the place where it is registered with the local administration for industry and commerce within 10 business days upon obtaining the business license. Local financial regulatory departments have the power to assess and classify the online lending information intermediaries which have filed a record, and to publicize the record-filing information and the classification results on their respective official websites in a timely manner. Institutions engaged in the online lending information intermediary business must explicitly identify the online lending information intermediaries in their business scope.

The online lending information intermediaries are prohibited from engaging in any of the following activities, among other things: (i) financing for themselves directly or in a disguised form; (ii) accepting, collecting or gathering funds of lenders directly or indirectly; (iii) providing security to lenders or promising break-even principals and interests directly or in a disguised form; (iv) advertising or promoting financing projects on other physical premises other than such digital channels as the Internet, fixed-line telephone or mobile phone by themselves or upon entrustment or authorization of any third party; (v) providing loans, unless otherwise stipulated by laws and regulations; (vi) splitting the term of any financing project; (vii) raising funds by issuing such financial products as wealth management products by themselves, or selling wealth management products of banks, assets management products of securities traders, funds, insurance, trust products or other financial products on a commission basis; (viii) carrying out any business analogous to asset securitization or conducting transfer of creditor's rights in the form of packaged assets, asset-backed securities, trust assets or fund units, among others; (ix) engaging in any form of mixture, bundling or agency with other businesses such as institutional investment, sale on a commission basis and brokerage, unless otherwise permitted by laws, regulations and relevant regulatory provisions on online lending information intermediaries; (x) false statement, misrepresenting or failure to disclose important information regarding the financial projects; (xi) providing information intermediary services for those highly risky financing projects whose purpose is investing in stock market, over-the-counter financing, futures contracts, structured products and other derivatives; and (xii) engaging in equity-based crowd funding.

The Interim Measures do not allow (i) the balance of money borrowed by the same natural person and the same legal person or other organization on the same online lending information intermediary platform to exceed RMB200,000 (US$29,089) and RMB1,000,000 (US$145,444), respectively; or (ii) the total balance of money borrowed by the same natural person and the same legal person or other organization on different online lending information intermediary platforms to exceed RMB1,000,000 (US$145,444) and RMB5,000,000 (US$727,220), respectively. The fund raising period set by an online lending information intermediary for each single financing project must not exceed 20 business days.

Further, the Interim Measures set forth certain information disclosure requirements for the online lending information intermediaries, including (i) fully disclosure on their respective official websites of the basic information of borrowers, basic information of financing projects, risk assessment, possible risk results, use of funds by the matched lending projects and other related information; (ii) publishing on their respective official websites matched lending projects and other information on their operation and management; (iii) maintaining certain column on their official websites for information on their business operation and management and regularly disclosing their annual reports, laws and regulations, and relevant regulatory provisions on the online lending information intermediary service industry to the public; (iv) retaining accounting firms to regularly audit the deposit and management of the lenders' and borrowers' funds, information disclosure, security of information technology infrastructure, compliance of operation and other key processes, and also retaining qualified information security assessment and certification institutions to regularly assess and certify their information security, and disclose to lenders, borrowers and others such auditing, assessment and certification results.

In November 2016, the CBRC, the Ministry of Industry and Information Technology, or the MIIT, and the SAIC jointly issued the Guide to the Record-filing of Online Lending Information Intermediaries, or the Record-filing Guidelines, which outlines the rules, procedures and required documents for the record-filing of online lending information intermediaries, and directs local financial regulatory departments to adopt detailed implementation rules for the record-filing by online lending information intermediaries within their jurisdictions. In December 2017, the National Rectification Office, issued the Notice on Rectification and Inspection Acceptance of Risk of Online Lending, or Circular 57, which provides further clarification on several matters in connection with the rectification and record-filing of online lending information intermediaries. Circular 57, among other things, requires certain local governmental authorities to establish an inspection team to conduct risk rectification inspections on online lending information intermediaries within their jurisdictions. If an online lending information intermediary institution passes the inspection, the local governmental authorities shall complete its record-filing. Circular 57 also requires local authorities to complete record-filings of online lending information intermediaries within its jurisdiction by the end of April 2018, except that the deadline for certain complicated cases may be postponed to May 2018 or June 2018.

On August 13, 2018, the National Rectification Office issued the Compliance Inspection Notice, which requires the online lending intermediaries to be inspected in accordance with the requirements provided in the Interim Measures, the Custodian Guidelines and the Disclosure Guidelines, and in combination the Compliance Inspection Checklist. The Compliance Inspection Notice emphasizes that the compliance inspection will focus on the following issues: (i) whether the intermediary conducts business only as an information intermediary and whether it is engaged in any credit intermediary business; (ii) whether the intermediary maintains any capital pool and has advanced funds for the clients; (iii) whether the intermediary finances itself directly or in a disguised form; (iv) whether the intermediary provides the lenders with guarantees or promises to repay principals and interests thereon directly or in a disguised form; (v) whether the intermediary provides rigid payment for the lenders; (vi) whether the intermediary conducts risk assessments for the lenders and provide hierarchical management of lenders; (vii) whether the intermediary fully discloses risk related information of the borrowers to the lenders; (viii) whether the intermediary adheres to the online lending principle of small amount and dispersion; (ix) whether the intermediary raises funds by sale of wealth management products through itself or its affiliates; (x) whether the intermediary solicits lenders by high interests and other manners. According to the Compliance Inspection Notice, the compliance inspection shall be carried at three levels as follows: (i) the self-inspection carried out by the online lending intermediary itself, which is required to submit to the provincial online lending rectification office a self-examination report and an authenticity commitment letter signed by its senior management and major shareholders; (ii) internet finance association inspection led by local internet finance association and/or the National Internet Finance Association of China, which are required to submit to the provincial online lending rectification office a self-discipline inspection report and an authenticity commitment letter signed by the inspectors and the principal of such association; and (iii) the administrative verification carried out by the provincial online lending rectification office on the basis of the self-inspection and self-discipline inspection abovementioned. The provincial online lending rectification offices are required to verify the authenticity of the content and data of the self-examination reports and the self-discipline inspection reports and submit a conclusion report to the National Rectification Office. If a self-examination report or self-discipline inspection report is found to contain false information, the online lending intermediary involved will be vetoed. The compliance inspection shall be completed by the end of December 2018. The online lending intermediaries that generally meet the requirement of being an intermediary and various standard will be allowed to link to the information disclosure and products registration system. After a period of operation and inspection, the online lending information intermediaries that meet relevant requirements can apply for record-filing.

In addition, on August 24, 2018, the Beijing Rectification Office, issued a Notice on Launch of Self-Inspection of P2P Online Lending Intermediaries Registered in Beijing, which requires that an online lending intermediary registered in Beijing shall submit a self-inspection report by September 30, 2018 and in any event no later than October 15, 2018.

In accordance with the Guidelines and the Interim Measures, the CBRC also issued two other implementation rules and regulations in addition to the Record-Filing Guidelines, namely, (i) the Guidelines for the Depository Business of Online Lending Funds in February 2017, or the Custodian Guidelines; and (ii) the Guidelines for the Disclosure of Information on Business Activities of Online Lending Information Intermediaries in August 2017, or the Disclosure Guidelines. The Custodian Guidelines require each online lending information intermediary to set up a custody account with a single commercial bank for the funds of investors on its platform, take responsibility for the continued development and secure operation of its technical system, make appropriate information disclosure to the custody bank, perform daily account reconciliation with the custody bank, safely maintain its accounts and records, arrange for the independent audits of the custody account and publicly disclose the audit results, and cooperate with the custody bank in meeting anti-money laundering obligations. The Disclosure Guidelines sets forth the information disclosure requirement for online lending information intermediaries, including with respect to their filings and licenses, fund custody, organization, operation, risk management, data regarding loans facilitated, financial audit and compliance review, and channels for customer complaints. In addition, the Disclosure Guidelines require online lending information intermediaries to disclose to investors information concerning borrowers, projects, project risk assessment and possible risk outcome. Under the Disclosure Guidelines, an online lending information intermediary must provide consistent information disclosure across all online channels such as its website, mobile phone application, WeChat public accounts and Weibo accounts, and set up on its website and other online channels a conspicuous section for information disclosure. Furthermore, in May 2017, the CBRC, the Ministry of Education and the Ministry of Human Resources and Social Security jointly released the Notice to Further Enhance the Management of Campus Loans, which prohibits online lending information intermediaries from facilitating loans to college students.

In December 2017, the Leading Group Office of the Internet Financial Risk Rectification Campaign and the National Rectification Office jointly issued the Notice on Rectification of Cash Loan Businesses, or Circular 141, which sets out certain principles in connection with cash loan businesses and online lending information intermediaries. According to Circular 141, online lending information intermediaries are prohibited from: (i) deducting interests, commissions, management fees and deposits from the loans before they are released to the borrowers; (ii) outsourcing core functions such as data collection, customer identification, credit assessment or account openings; (iii) enabling banking financial institutions to engage in P2P online lending; (iv) providing loan facilitation services to individuals who do not possess sufficient debt repayment capabilities or to students; (vi) conducting real-estate financing such as down payment loans for real estate purchasing.

On December 19, 2018, the Leading Group Office of the Internet Financial Risk Rectification Campaign and the National Rectification Office jointly promulgated the Notice on the Classification and Disposal of Online Lending Institutions and Risk Prevention, which provides that online lending intermediaries shall be classified into the following two categories according to their risk profiles: (i) institutions with exposed risks, and (ii) institutions without exposed risks, which are further classified as non-operating institutions, small-scale institutions, high-risk institutions and normal operating institutions. With respect to the normal operating institutions, the relevant governmental authorities shall require the institutions to strictly limit balance of loans and number of lenders and shall assess the risk profiles of such institutions regularly and adjust their classifications in a timely manner if necessary. Furthermore, Beijing Rectification Office issued a Notice on January 24, 2019 requiring online lending intermediaries to continue to reduce its business scale and number of borrowers and lenders during the administrative verification period.

To comply with the laws, rules and regulations relating to the online lending information intermediary service industry, we have implemented various policies and procedures, which we believe set the best practice in the industry.

Anti-money Laundering Regulations

The PRC Anti-money Laundering Law, which became effective in January 2007, sets forth the principal anti-money laundering requirements applicable to financial institutions as well as non-financial institutions with anti-money laundering obligations, including the adoption of precautionary and supervisory measures, establishment of various systems for client identification, retention of clients' identification information and transactions records, and reports on large transactions and suspicious transactions. According to the PRC Anti-money Laundering Law, financial institutions subject to the PRC Anti-money Laundering Law include banks, credit unions, trust investment companies, stock brokerage companies, futures brokerage companies, insurance companies and other financial institutions as listed and published by the State Council, while the list of the non-financial institutions with anti-money laundering obligations will be published by the State Council. The PBOC and other governmental authorities issued a series of administrative rules and regulations to specify the anti-money laundering obligations of financial institutions and certain non-financial institutions, such as payment institutions. In July 2018, the PBOC issued the Notice on Strengthening Supervision on Anti-money Laundering by Certain Non-financial Institutions, stipulating that the following non-financial institutions shall undertake the responsibilities of anti-money laundering and anti-terrorist financing during their respective certain business operations: (i) real estate development enterprises and real estate agencies while selling real estates and providing service for real estate transactions; (ii) precious metal traders and precious metals trading platforms while conducting or providing service for precious metal spot trading; (iii) accounting firms, law firms and notary offices while conducting real estate transactions, asset management, bank account and securities account management, fund-raising for establishment or operation of enterprises and business entities transactions on behalf of their clients;(iv) company service providers providing service for establishment, operation and management of companies.

The Guidelines jointly released by ten PRC regulatory agencies in July 2015, purport, among other things, to require internet finance service providers, including online lending information intermediaries, to comply with certain anti-money laundering requirements, including the establishment of a customer identification program, the monitoring and reporting of suspicious transactions, the preservation of customer information and transaction records, and the provision of assistance to the public security department and judicial authority in investigations and proceedings in relation to anti-money laundering matters. The Interim Measures jointly issued by four PRC regulatory agencies in August 2016 require the online lending information intermediaries, among other things, to comply with certain anti-money laundering obligations, including verifying customer identification, reporting suspicious transactions and preserving customer information and transaction records. The Custodian Guidelines issued by PBOC in February 2017 require the online lending platforms to set up custody accounts with commercial banks and comply with the anti-money laundry requirements of the relevant commercial banks.

On October 11, 2018, the PBOC, the CBIRC, and the CSRC, jointly promulgated the Administrative Measures for Anti-money Laundering and Counter-terrorism Financing by Internet Finance Service Agencies (for Trial Implementation), effective as of January 1, 2019, which specify the anti-money laundering obligations of internet finance service agencies and regulate that the internet finance service agencies shall (i) adopt continuous customer identification measures; (ii) implement the system for reporting large-value or suspicious transactions; (iii) conduct real-time monitoring of the lists of terrorist organizations and terrorists; and (iv) properly keep the information, data and materials such as customer identification and transaction reports.

In cooperation with our partnering custody banks and payment companies, we have adopted various policies and procedures, such as internal controls and "know-your-customer" procedures, for anti-money laundering purposes.

Regulations on Value-Added Telecommunication Services

The Telecommunications Regulations promulgated by the State Council and its related implementation rules, including the Catalog of Classification of Telecommunications Business issued by the MIIT, categorize various types of telecommunications and telecommunications-related activities into basic or value-added telecommunications services, while internet information services, or ICP services, and data processing and transaction processing services, or EDI services, are classified as value-added telecommunications businesses. In 2009, the MIIT promulgated the Administrative Measures on Telecommunications Business Operating Licenses, amended in July 2017, which set forth more specific provisions regarding the types of licenses required to operate value-added telecommunications services, the qualifications and procedures for obtaining such licenses and the administration and supervision of such licenses. Under these regulations, a commercial operator of value-added telecommunications services must first obtain a license for value-added telecommunications business, or VATS License, from the MIIT or its provincial level counterparts, which must identify the specific type of value-added telecommunications services it provides. An internet information service provider must obtain a VATS License for internet information services, or ICP License, and a data processing and transaction processing service provider must obtain a VATS License for data processing and transaction processing services, or EDI License.

In September 2000, the State Council also issued the Administrative Measures on Internet Information Services, which was amended in January 2011. Pursuant to these measures, "internet information services" refer to provision of internet information to online users, and are divided into "commercial internet information services" and "non-commercial internet information services." A commercial internet information services operator must obtain an ICP License, from the relevant government authorities before engaging in any commercial internet information services operations in China. The ICP License has a term of five years and can be renewed within 90 days before expiration.

Heng Cheng and Hui Min, our consolidated variable interest entities operating our online marketplace and Yi Ren Wealth Management, our consolidated variable interest entity operating our wealth management website and mobile application, may be deemed to be providing commercial internet information services and data processing and transaction processing services, which would require Heng Cheng, Hui Min and Yi Ren Wealth Management to obtain an ICP License and an EDI License. Heng Cheng and Hui Min are in the process of renewing their ICP License for provision of commercial internet information services, and Yi Ren Wealth Management is in the process of applying for an ICP License. The Guidelines jointly released by ten PRC regulatory agencies in July 2015, purport, among other things, to require internet finance service providers, including online lending information intermediaries, to complete registration with the relevant local counterpart of the MIIT in accordance with implementation regulations that may be promulgated by the MIIT and/or the Office for Cyberspace Affairs pursuant to the Guidelines. The Interim Measures jointly issued by four PRC regulatory agencies in August 2016 require the online lending information intermediaries, among other things, to apply for appropriate telecommunication business license in accordance with the relevant requirements of telecommunication authorities subsequent to completion of the record-filing with the local financial regulatory department. In accordance with the Guidelines and the Interim Measures, the relevant authorities are in the process of making detailed implementation rules in relation to the record-filing procedures, as well as the application procedures for appropriate telecommunication business license by online lending information intermediaries. We plan to apply for any requisite telecommunication services license once the detailed implementation rules become available.

Regulations on Internet Information Security

Internet information in China is also regulated and restricted from a national security standpoint. The National People's Congress, China's national legislative body, has enacted the Decisions on Maintaining Internet Security, which may subject violators to criminal punishment in China for any effort to: (i) gain improper entry into a computer or system of strategic importance; (ii) disseminate politically disruptive information; (iii) leak state secrets; (iv) spread false commercial information; or (v) infringe intellectual property rights. In November 2016, the Standing Committee of National People's Congress promulgated the PRC Cyber Security Law taking into effect in June 2017, or the PRC Cyber Security Law, which established a regulatory system with respect to the construction, operation, maintenance and use of internet and set forth provisions on the supervision and administration of cyber security within the territory of the PRC. Pursuant to the PRC Cyber Security Law, the national internet information department shall take charge of the arrangement, coordination, supervision and administration in connection with cyber-security issues, and the telecommunications administrative departments, public security departments as well as other relevant departments shall be responsible for the security protection, supervision and administration within the scope of their respective duties. The Ministry of Public Security has promulgated measures that prohibit use of the internet in ways which, among other things, result in a leakage of state secrets or a spread of socially destabilizing content. 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.

In addition, the Guidelines jointly released by ten PRC regulatory agencies in July 2015 purport, among other things, to require internet finance service providers, including online lending information intermediaries, to improve technology security standards, and safeguard customer and transaction information. The Interim Measures jointly issued by four PRC regulatory agencies in August 2016 requires the online lending information intermediaries, among other things, to (i) carry out grading filing and testing for their information systems, (ii) implement thorough cyberspace security facilities and management measures, including firewall, intrusion detect, data encryption, and disaster recovery, etc., (iii) establish information technology management, technology risk management, technology auditing and related systems, (iv) allocate sufficient resources and implement thorough management and control measures and technological means to ensure safe and steady operation of their information systems, (v) protect the security of the information of lenders and borrowers, (vi) carry out a comprehensive security evaluation at least once every two years, (vii) accept the information security inspection and auditing by competent authorities, and (viii) establish or adopt application-level disaster recovery systems and facilities compatible with their business scales within two years after their establishment.

Regulations on Privacy Protection

In recent years, PRC government authorities have enacted laws and regulations on internet use to protect personal information from any unauthorized disclosure. Under the Several Provisions on Regulating the Market Order of Internet Information Services, issued by the MIIT in December 2011, an ICP service operator may not collect any user personal information or provide any such information to third parties without the consent of a user. An ICP service operator must expressly inform the users of the method, content and purpose of the collection and processing of such user personal information and may only collect such information necessary for the provision of its services. An ICP service operator is also required to properly maintain the user personal information, and in case of any leak or likely leak of the user personal information, the ICP service operator must take immediate remedial measures and, in severe circumstances, make an immediate report to the telecommunications regulatory authority. In addition, pursuant to the Decision on Strengthening the Protection of Online Information issued by the Standing Committee of the National People's Congress in December 2012 and the Order for the Protection of Telecommunication and Internet User Personal Information issued by the MIIT in July 2013, any collection and use of user personal information must be subject to the consent of the user, abide by the principles of legality, rationality and necessity and be within the specified purposes, methods and scopes. An ICP service operator must also keep such information strictly confidential, and is further prohibited from divulging, tampering or destroying of any such information, or selling or providing such information to other parties. An ICP service operator is required to take technical and other measures to prevent the collected personal information from any unauthorized disclosure, damage or loss. According to the PRC Cyber Security Law, an ICP service operator is required to formulate security management system and operational procedures, take measures to prevent acts that jeopardize cyber security such as computer virus, network attacks and network intrusion, and safeguard personal information, user information and business secrets. Any violation of these laws and regulations may subject the ICP service operator to warnings, fines, confiscation of illegal gains, revocation of licenses, cancellation of filings, closedown of websites or even criminal liabilities. The Guidelines jointly released by ten PRC regulatory agencies in July 2015 also prohibit internet finance service providers, including online lending information intermediaries, from illegally selling or disclosing customers' personal information. The PBOC and other relevant regulatory authorities will jointly adopt the implementing rules. The Interim Measures jointly issued by four PRC regulatory agencies in August 2016 requires the online lending information intermediaries, among other things, to strengthen the management of lenders' and borrowers' information to ensure the legitimacy and security regarding the collection, processing and use of lenders' and borrowers' information, to keep confidential the lenders' and borrowers' information collected in the course of their business, and not to use such information for any other purpose except for services they provide without approval of lenders or borrowers. The lenders' and borrowers' information collected within the territory of China shall be stored, processed and analyzed within the territory of China. The online lending information intermediaries shall not provide the lenders' and borrowers' information to any party located outside the territory of China, unless otherwise required by laws and regulations. Pursuant to the Ninth Amendment to the Criminal Law issued by the Standing Committee of the National People's Congress in August 2015 and becoming effective in November, 2015, any internet service provider that fails to fulfill the obligations related to internet information security administration as required by applicable laws and refuses to rectify upon orders, shall be subject to criminal penalty for the result of (i) any dissemination of illegal information in large scale; (ii) any severe effect due to the leakage of the client's information; (iii) any serious loss of criminal evidence; or (iv) other severe situation, and any individual or entity that (i) sells or provides personal information to others in a way violating the applicable law, or (ii) steals or illegally obtain any personal information, shall be subject to criminal penalty in severe situation.

Regulations on Intellectual Property Rights

The PRC has adopted comprehensive legislation governing intellectual property rights, including trademarks. The PRC Trademark Law and its implementation rules protect registered trademarks. The PRC Trademark Law has adopted a "first-to-file" principle with respect to trademark registration. The Trademark Office of the National Intellectual Property Administration is responsible for the registration and administration of trademarks throughout the PRC, and grants a term of ten years to registered trademarks and another ten years if requested upon expiry of the initial or extended term. Trademark license agreements must be filed with the Trademark Office for record. As of the date of this annual report, we have made applications for 133 trademarks, all of which are pending with the Trademark Office of the National Intellectual Property Administration. We also have obtained a worldwide and royalty-free license from CreditEase to use certain of its trademarks, including "宜信" (Chinese equivalent for CreditEase).

Regulations Relating to Dividend Withholding Tax

Pursuant to the Enterprise Income Tax Law and its implementation rules, if a non-resident enterprise has not set up an organization or establishment in the PRC, or has set up an organization or establishment but the income derived has no actual connection with such organization or establishment, it will be subject to a withholding tax on its PRC-sourced income at a rate of 10%. Pursuant to the Arrangement between Mainland China and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and Tax Evasion on Income, the withholding tax rate in respect to the payment of dividends by a PRC enterprise to a Hong Kong enterprise is reduced to 5% from a standard rate of 10% if the Hong Kong enterprise directly holds at least 25% of the PRC enterprise. Pursuant to the Notice of the State Administration of Taxation on the Issues concerning the Application of the Dividend Clauses of Tax Agreements, or Circular 81, a Hong Kong resident enterprise must meet the following conditions, among others, in order to enjoy the reduced withholding tax: (i) it must directly own the required percentage of equity interests and voting rights in the PRC resident enterprise; and (ii) it must have directly owned such percentage in the PRC resident enterprise throughout the 12 months prior to receiving the dividends. There are also other conditions for enjoying the reduced withholding tax rate according to other relevant tax rules and regulations. In August 2015, the State Administration of Taxation promulgated the Administrative Measures for Non-Resident Taxpayers to Enjoy Treatments under Tax Treaties, or Circular 60, which became effective on November 1, 2015. Circular 60 provides that non-resident enterprises are not required to obtain pre-approval from the relevant tax authority in order to enjoy the reduced withholding tax rate. Instead, non-resident enterprises and their withholding agents may, by self-assessment and on confirmation that the prescribed criteria to enjoy the tax treaty benefits are met, directly apply the reduced withholding tax rate, and file necessary forms and supporting documents when performing tax filings, which will be subject to post-tax filing examinations by the relevant tax authorities. Accordingly, Yirendai HK, our Hong Kong subsidiary, may be able to enjoy the 5% withholding tax rate for the dividends they receive from Heng Ye and Heng Yu Da, our PRC subsidiaries, if they satisfy the conditions prescribed under Circular 81 and other relevant tax rules and regulations. However, according to Circular 81 and Circular 60, if the relevant tax authorities consider the transactions or arrangements we have are for the primary purpose of enjoying a favorable tax treatment, the relevant tax authorities may adjust the favorable withholding tax in the future. According to the Circular on Several Issues regarding the "Beneficial Owner" in Tax Treaties, which was issued on February 3, 2018 by the SAT and has taken effect from April 1, 2018, or Circular 9, when determining the applicant's status of the "beneficial owner" regarding tax treatments in connection with dividends, interests or royalties in the tax treaties, several factors, including without limitation whether the applicant is obligated to pay more than 50% of his or her income in twelve months to residents in a third country or region, whether the business operated by the applicant constitutes the actual business activities, and whether the counterparty country or region to the tax treaties levies any tax or grants tax exemption on relevant incomes or levies tax at an extremely low rate, will be taken into account, and such determination will be analyzed according to the actual circumstances of the specific cases. Circular 9 further provides that applicants who intend to prove his or her status of the "beneficial owner" shall submit the relevant documents to the relevant tax authority according to Circular 60. Based on Circular 60, non-resident enterprises are not required to obtain pre-approval from the relevant tax authority in order to enjoy the reduced withholding tax rate. Instead, non-resident enterprises and their withholding agents may, by self-assessment and on confirmation that the prescribed criteria to enjoy the tax treaty benefits are met, directly apply the reduced withholding tax rate, and file necessary forms and supporting documents when performing tax filings, which will be subject to post-tax filing examinations by the relevant tax authorities. However, if a competent tax authority finds out that it is necessary to apply the general anti-tax avoidance rules, it may start general investigation procedures for anti-tax avoidance and adopt corresponding measures for subsequent administration.

Regulations Relating to Foreign Exchange

Regulations on Foreign Currency Exchange

The principal regulations governing foreign currency exchange in China are the Foreign Exchange Administration Regulations, most recently amended in August 2008. Under the PRC foreign exchange regulations, payments of current account items, such as profit distributions, interest payments and trade and service-related foreign exchange transactions, can be made in foreign currencies without prior approval from SAFE by complying with certain procedural requirements. By contrast, approval from or registration with appropriate government authorities is required where RMB is to be converted into foreign currency and remitted out of China to pay capital account items, such as direct investments, repayment of foreign currency-denominated loans, repatriation of investments and investments in securities outside of China.

In November 2012, SAFE promulgated the Circular of Further Improving and Adjusting Foreign Exchange Administration Policies on Foreign Direct Investment, most recently amended in May 2015, which substantially amends and simplifies the current foreign exchange procedure. Pursuant to this circular, the opening of various special purpose foreign exchange accounts, such as pre-establishment expenses accounts, foreign exchange capital accounts and guarantee accounts, the reinvestment of RMB proceeds derived by foreign investors in the PRC, and remittance of foreign exchange profits and dividends by a foreign-invested enterprise to its foreign shareholders no longer require the approval or verification of SAFE, and multiple capital accounts for the same entity may be opened in different provinces, which was not possible previously. In addition, SAFE promulgated another circular in May 2013, which specifies that the administration by SAFE or its local branches over direct investment by foreign investors in the PRC must be conducted by way of registration and banks must process foreign exchange business relating to the direct investment in the PRC based on the registration information provided by SAFE and its branches. On February 13, 2015, SAFE promulgated the Notice on Further Simplifying and Improving the Administration of the Foreign Exchange Concerning Direct Investment, or SAFE Notice 13. After SAFE Notice 13 became effective on June 1, 2015, instead of applying for approvals regarding foreign exchange registrations of foreign direct investment and overseas direct investment from SAFE, entities and individuals may apply for such foreign exchange registrations from qualified banks. The qualified banks, under the supervision of SAFE, may directly review the applications and conduct the registration.

On March 30, 2015, SAFE promulgated Circular 19, which expands a pilot reform of the administration of the settlement of the foreign exchange capitals of foreign-invested enterprises nationwide. On June 9, 2016, SAFE promulgated Circular 16 to further expand and strengthen such reform. Under Circular 19 and Circular 16, foreign-invested enterprises in the PRC are allowed to use their foreign exchange funds under capital accounts and RMB funds from exchange settlement for expenditure under current accounts within its business scope or expenditure under capital accounts permitted by laws and regulations, except that such funds shall not be used for (i) expenditure beyond the enterprise's business scope or expenditure prohibited by laws and regulations; (ii) investments in securities or other investments than banks' principal-secured products; (iii) granting of loans to non-affiliated enterprises, except where it is expressly permitted in the business license; and (iv) construction or purchase of real estate for purposes other than self-use (except for real estate enterprises).

Regulations on Foreign Exchange Registration of Overseas Investment by PRC Residents

SAFE issued SAFE Circular on Relevant Issues Relating to Domestic Resident's Investment and Financing and Roundtrip Investment through Special Purpose Vehicles, or SAFE Circular 37, that became effective in July 2014, replacing the previous SAFE Circular 75. SAFE Circular 37 regulates foreign exchange matters in relation to the use of special purpose vehicles, or SPVs, by PRC residents or entities to seek offshore investment and financing or conduct round trip investment in China. Under SAFE Circular 37, a SPV refers to an offshore entity established or controlled, directly or indirectly, by PRC residents or entities for the purpose of seeking offshore financing or making offshore investment, using legitimate onshore or offshore assets or interests, while "round trip investment" refers to direct investment in China by PRC residents or entities through SPVs, namely, establishing foreign-invested enterprises to obtain the ownership, control rights and management rights. SAFE Circular 37 provides that, before making contribution into an SPV, PRC residents or entities are required to complete foreign exchange registration with SAFE or its local branch. SAFE promulgated the Notice on Further Simplifying and Improving the Administration of the Foreign Exchange Concerning Direct Investment in February 2015, which took effect on June 1, 2015. This notice has amended SAFE Circular 37 requiring PRC residents or entities to register with qualified banks rather than SAFE or its local branch in connection with their establishment or control of an offshore entity established for the purpose of overseas investment or financing.

PRC residents or entities who had contributed legitimate onshore or offshore interests or assets to SPVs but had not obtained registration as required before the implementation of the SAFE Circular 37 must register their ownership interests or control in the SPVs with qualified banks. An amendment to the registration is required if there is a material change with respect to the SPV registered, such as any change of basic information (including change of the PRC residents, name and operation term), increases or decreases in investment amount, transfers or exchanges of shares, and mergers or divisions. Failure to comply with the registration procedures set forth in SAFE Circular 37 and the subsequent notice, or making misrepresentation on or failure to disclose controllers of the foreign-invested enterprise that is established through round-trip investment, may result in restrictions being imposed on the foreign exchange activities of the relevant foreign-invested enterprise, including payment of dividends and other distributions, such as proceeds from any reduction in capital, share transfer or liquidation, to its offshore parent or affiliate, and the capital inflow from the offshore parent, and may also subject relevant PRC residents or entities to penalties under PRC foreign exchange administration regulations.

We are aware that our PRC resident beneficial owners subject to these registration requirements have registered with the Beijing SAFE branch and/or qualified banks to reflect the recent changes to our corporate structure.

Regulations on Stock Incentive Plans

SAFE promulgated the Stock Option Rules in February 2012, replacing the previous rules issued by SAFE in March 2007. Under the Stock Option Rules and other relevant rules and regulations, PRC residents who participate in 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 the participants. 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 other material changes. The PRC agent 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.

We have adopted two share incentive plans, under which we have the discretion to grant a broad range of equity-based awards to eligible participants. See "Item 6. Directors, Senior Management and Employees—B. Compensation—Share Incentive Plan." We plan to advise the recipients of awards under our share incentive plans to handle foreign exchange matters in accordance with the Stock Option Rules. However, we cannot assure you that they can successfully register with SAFE in full compliance with the Stock Option Rules. Any failure to complete their registration pursuant to the Stock Option Rules and other foreign exchange requirements may subject these PRC individuals to fines and legal sanctions, and may also limit our ability to contribute additional capital to our PRC subsidiaries, limit our PRC subsidiaries' ability to distribute dividends to us or otherwise materially adversely affect our business.

Regulations on Dividend Distribution

Under our current corporate structure, our Cayman Islands holding company may rely on dividend payments from Heng Ye, which is a wholly foreign-owned enterprise incorporated in China, to fund any cash and financing requirements we may have. The principal regulations governing distribution of dividends of foreign-invested enterprises include the Foreign-Invested Enterprise Law, as amended in September 2016, and its implementation rules, which will be replaced by the *Foreign Investment Law* on January 1, 2020. Under the current 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 PRC 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 PRC accounting standards to staff welfare and bonus funds. These reserves are not distributable as cash dividends.

Regulations Relating to Employment

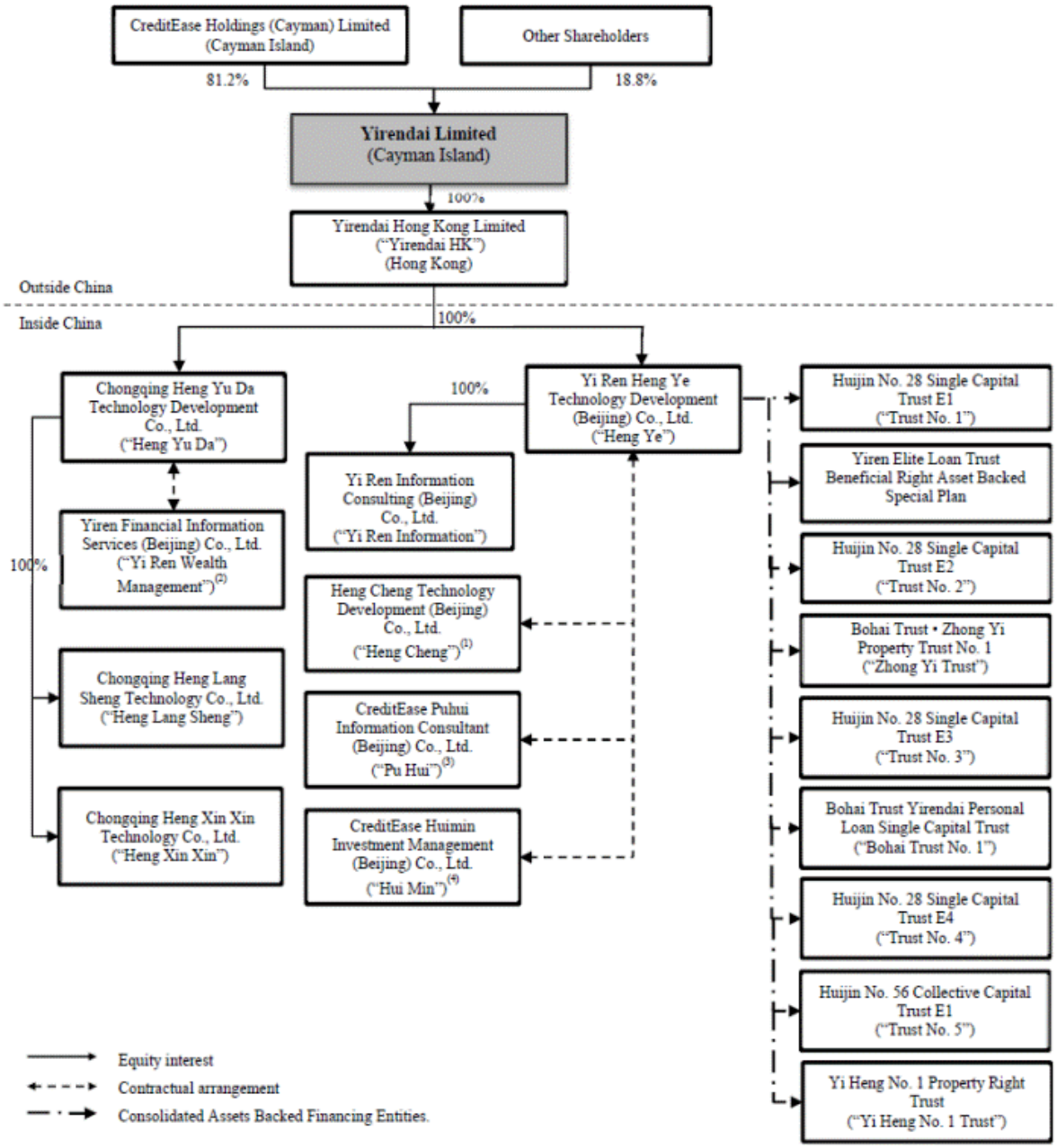
The PRC Labor Law and the Labor Contract Law require that employers must execute written employment contracts with full-time employees. If an employer fails to enter into a written employment contract with an employee within one year from the date on which the employment relationship is established, the employer must rectify the situation by entering into a written employment contract with the employee and pay the employee twice the employee's salary for the period from the day following the lapse of one month from the date of establishment of the employment relationship to the day prior to the execution of the written employment contract. All employers must compensate their employees with wages equal to at least the local minimum wage standards. Violations of the PRC Labor Law and the Labor Contract Law may result in the imposition of fines and other administrative sanctions, and serious violations may result in criminal liabilities.

Enterprises in China are required by PRC laws and regulations to participate in certain employee benefit plans, including social insurance funds, namely a pension plan, a medical insurance plan, an unemployment insurance plan, a work-related injury insurance plan and a maternity insurance plan, and a housing provident fund, and contribute to the plans or funds in amounts equal to certain percentages of salaries, including bonuses and allowances, of the employees as specified by the local government from time to time at locations where they operate their businesses or where they are located. Failure to make adequate contributions to various employee benefit plans may be subject to fines and other administrative sanctions.

We have not made adequate contributions to employee benefit plans, as required by applicable PRC laws and regulations. See "Item 3. Key Information—D. Risk Factors—Risks Related to Doing Business in China—Failure to make adequate contributions to various employee benefit plans as required by PRC regulations may subject us to penalties."

C. Organizational Structure

The following diagram illustrates our corporate structure, including our subsidiaries, our consolidated variable interest entities, and our consolidated assets backed financing entities, as of the date of this annual report:



(1) The shareholders of Heng Cheng are Mr. Ning Tang, Mr. Fanshun Kong and Ms. Yan Tian, owning 40%, 30% and 30% of Heng Cheng's equity interest, respectively. Mr. Ning Tang is our executive chairman. Mr. Fanshun Kong is a non-executive PRC employee of CreditEase, and Ms. Yan Tian is a third-party individual designated by CreditEase.

(2) The shareholders of Yi Ren Wealth Management are Mr. Ning Tang, Mr. Fanshun Kong and Ms. Yan Tian, owning 40%, 30% and 30% of Yi Ren Wealth Management's equity interest, respectively.

(3) As part of our business realignment with CreditEase, we entered into a series of contractual arrangements with Pui Hui and its shareholders. The shareholders of Pu Hui are Mr. Ning Tang and Ms. Yan Tian, owning 95% and 5% of Pu Hui's equity interest, respectively.

(4) As part of our business realignment with CreditEase, we entered into a series of contractual arrangements with Hui Min and its shareholders. The shareholders of Hui Min are Mr. Ning Tang, Ms. Yan Tian and Ms. Mei Zhao, owning 93.1%, 3.05% and 3.85% of Hui Min's equity interest, respectively. Ms. Mei Zhao is an executive officer of CreditEase.

Contractual Arrangements with Our Consolidated Variable Interest Entities

Due to PRC legal restrictions on foreign ownership and investment in value-added telecommunications services, and internet content provision services in particular, we currently conduct these activities through Heng Cheng, Yi Ren Wealth Management, Pu Hui and Hui Min, which we effectively control through a series of contractual arrangements. These contractual arrangements allow us to:

- exercise effective control over Heng Cheng, Yi Ren Wealth Management, Pu Hui and Hui Min;
- receive substantially all of the economic benefits of Heng Cheng, Yi Ren Wealth Management, Pu Hui and Hui Min; and
- have an exclusive option to purchase all or part of the equity interests in Heng Cheng, Yi Ren Wealth Management, Pu Hui and Hui Min when and to the extent permitted by PRC law.

As a result of these contractual arrangements, we have become the primary beneficiary of Heng Cheng, Yi Ren Wealth Management, Pu Hui and Hui Min and we treat Heng Cheng, Yi Ren Wealth Management, Pu Hui and Hui Min as our variable interest entities under U.S. GAAP. We have consolidated the financial results of Heng Cheng, Yi Ren Wealth Management, Pu Hui and Hui Min in our consolidated financial statements in accordance with U.S. GAAP.

Contractual Arrangements with Heng Cheng

The following is a summary of the currently effective contractual arrangements by and among our wholly-owned subsidiary, Heng Ye, our consolidated variable interest entity, Heng Cheng, and the shareholders of Heng Cheng.

Agreements that Provide Us with Effective Control over Heng Cheng

Equity Interest Pledge Agreements. Pursuant to the equity interest pledge agreements, each shareholder of Heng Cheng has pledged all of his or her equity interest in Heng Cheng to guarantee the shareholder's and Heng Cheng's performance of their obligations under the exclusive business cooperation agreement, loan agreement, exclusive option agreement and power of attorney. If Heng Cheng or any of its shareholders breaches their contractual obligations under these agreements, Heng Ye, 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 Heng Cheng in accordance with the law. Each of the shareholders of Heng Cheng agrees that, during the term of the equity interest pledge agreements, he or she will not dispose of the pledged equity interests or create or allow any encumbrance on the pledged equity interests without the prior written consent of Heng Ye. The equity interest pledge agreements remain effective until Heng Cheng and its shareholders discharge all their obligations under the contractual arrangements. We have registered the equity pledge with the relevant office 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 Heng Cheng has irrevocably appointed Heng Ye 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 Heng Cheng requiring shareholder approval, disposing of all or part of the shareholder's equity interest in Heng Cheng, and appointing directors and executive officers. Heng Ye is entitled to designate any person to act as such shareholder's exclusive attorney-in-fact without notifying or the approval of such shareholder, and if required by PRC law, Heng Ye shall designate a PRC citizen to exercise such right. Each power of attorney will remain in force for so long as the shareholder remains a shareholder of Heng Cheng. Each shareholder has waived all the rights which have been authorized to Heng Ye and will not exercise such rights.

Agreement that Allows us to Receive Economic Benefits from Heng Cheng

Exclusive Business Cooperation Agreement. Under the exclusive business cooperation agreement between Heng Ye and Heng Cheng, Heng Ye has the exclusive right to provide Heng Cheng with technical support, consulting services and other services. Without Heng Ye's prior written consent, Heng Cheng agrees not to accept the same or any similar services provided by any third party. Heng Ye may designate other parties to provide services to Heng Cheng. Heng Cheng agrees to pay service fees on a monthly basis and at an amount determined by Heng Ye 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. Heng Ye owns the intellectual property rights arising out of the performance of this agreement. In addition, Heng Cheng has granted Heng Ye an irrevocable and exclusive option to purchase any or all of the assets and businesses of Heng Cheng at the lowest price permitted under PRC law. Unless otherwise agreed by the parties or terminated by Heng Ye unilaterally, this agreement will remain effective permanently.

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

Exclusive Option Agreement. Pursuant to the exclusive option agreements, each shareholder of Heng Cheng has irrevocably granted Heng Ye 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 Heng Cheng. The purchase price is equal to the higher of the amount of loan extended by Heng Ye to each shareholder of Heng Cheng under the respective loan agreement or the minimum price required by PRC law. If Heng Ye exercises the option to purchase part of the equity interest held by a shareholder, the purchase price shall be calculated proportionally. Heng Cheng and each of its shareholders have agreed to appoint any persons designated by Heng Ye to act as Heng Cheng's directors. Without Heng Ye's prior written consent, Heng Cheng 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 RMB100,000 (US$14,544) (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 Heng Cheng have agreed that, without Heng Ye's prior written consent, they will not dispose of their equity interests in Heng Cheng or create or allow any encumbrance on their equity interests. Moreover, without Heng Ye's prior written consent, no dividend will be distributed to Heng Cheng'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 Heng Ye. These agreements will remain effective until all equity interests of Heng Cheng held by its shareholders have been transferred or assigned to Heng Ye or its designated person(s).

Loan Agreements. Pursuant to the loan agreements between Heng Ye and the shareholders of Heng Cheng, Heng Ye made loans in an aggregate amount of RMB30.0 million (US$4.4 million) to the shareholders of Heng Cheng solely for the capitalization of Heng Cheng. Pursuant to the loan agreement, the shareholders can only repay the loans by the sale of all their equity interest in Heng Cheng to Heng Ye or its designated person(s) pursuant to their respective exclusive option agreements. The shareholders must pay all of the proceeds from sale of such equity interests to Heng Ye. In the event that shareholders sell their equity interests to Heng Ye 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 Heng Ye 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 Heng Cheng and Heng Ye elects to exercise its exclusive equity purchase option. The term of the loans is ten years and can be extended upon mutual written consent of the parties.

Contractual Arrangements with Yi Ren Wealth Management

The following is a summary of the currently effective contractual arrangements by and among our wholly-owned subsidiary, Heng Yu Da, our consolidated variable interest entity, Yi Ren Wealth Management, and the shareholders of Yi Ren Wealth Management.

Agreements that Provide Us with Effective Control over Yi Ren Wealth Management

Amended and Restated Equity Interest Pledge Agreements. Pursuant to the equity interest pledge agreements, each shareholder of Yi Ren Wealth Management has pledged all of his or her equity interest in Yi Ren Wealth Management to guarantee the shareholder's and Yi Ren Wealth Management's performance of their obligations under the exclusive business cooperation agreement, exclusive option agreement, loan agreement and power of attorney. If Yi Ren Wealth Management or any of its shareholders breaches their contractual obligations under these agreements, Heng Yu Da, 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 Yi Ren Wealth Management in accordance with the law. Each of the shareholders of Yi Ren Wealth Management agrees that, during the term of the equity interest pledge agreements, he or she will not dispose of the pledged equity interests or create or allow any encumbrance on the pledged equity interests without the prior written consent of Heng Yu Da. The equity interest pledge agreements remain effective until Yi Ren Wealth Management and its shareholders discharge all their obligations under the contractual arrangements. We have registered the equity pledge with the relevant office 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 Yi Ren Wealth Management has irrevocably appointed Heng Yu Da 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 Yi Ren Wealth Management requiring shareholder approval, disposing of all or part of the shareholder's equity interest in Yi Ren Wealth Management, and appointing directors and executive officers. Heng Yu Da is entitled to designate any person to act as such shareholder's exclusive attorney-in-fact without notifying or the approval of such shareholder, and if required by PRC law, Heng Yu Da shall designate a PRC citizen to exercise such right. Each power of attorney will remain in force for so long as the shareholder remains a shareholder of Yi Ren Wealth Management. Each shareholder has waived all the rights which have been authorized to Heng Yu Da and will not exercise such rights.

Agreement that Allows us to Receive Economic Benefits from Yi Ren Wealth Management

Exclusive Business Cooperation Agreement. Under the exclusive business cooperation agreement between Heng Yu Da and Yi Ren Wealth Management, Heng Yu Da has the exclusive right to provide Yi Ren Wealth Management with technical support, consulting services and other services. Without Heng Yu Da's prior written consent, Yi Ren Wealth Management agrees not to accept the same or any similar services provided by any third party. Heng Yu Da may designate other parties to provide services to Yi Ren Wealth Management. Yi Ren Wealth Management agrees to pay service fees on a monthly basis and at an amount determined by Heng Yu Da and Yi Ren Wealth Management 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. Heng Yu Da owns the intellectual property rights arising out of the performance of this agreement. In addition, Yi Ren Wealth Management has granted Heng Yu Da an irrevocable and exclusive option to purchase any or all of the assets and businesses of Yi Ren Wealth Management at the lowest price permitted under PRC law. Unless otherwise agreed by the parties or terminated by Heng Yu Da unilaterally, this agreement will remain effective permanently.

Agreements that Provide Us with the Option to Purchase the Equity Interest in Yi Ren Wealth Management

Amended and Restated Exclusive Option Agreement. Pursuant to the exclusive option agreements, each shareholder of Yi Ren Wealth Management has irrevocably granted Heng Yu Da 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 Yi Ren Wealth Management. The purchase price shall be the higher of the amount equal to the registered capital contributed by the respective shareholders of Yi Ren Wealth Management (or such other price then accepted by Heng Yu Da) or the minimum price required by PRC law, which purchase price could be paid by way of offset of the outstanding debts owed by the shareholders of Yi Ren Wealth Management to Heng Yu Da (including without limitation the outstanding amount of the loan owed by the shareholders of Yi Ren Wealth Management to Heng Yu Da and any interest thereon under the respective loan agreement). If Heng Yu Da exercises the option to purchase part of the equity interest held by a shareholder of Yi Ren Wealth Management, the purchase price shall be calculated proportionally. Yi Ren Wealth Management and each of its shareholders have agreed to appoint any persons designated by Heng Yu Da to act as Yi Ren Wealth Management's directors. Without Heng Yu Da's prior written consent, Yi Ren Wealth Management 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$72,722), provide any loans to any third parties, enter into any material contract with a value of more than RMB500,000 (US$72,722) (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 Yi Ren Wealth Management have agreed that, without Heng Yu Da's prior written consent, they will not dispose of their equity interests in Yi Ren Wealth Management or create or allow any encumbrance on their equity interests. Moreover, without Heng Yu Da's prior written consent, no dividend will be distributed to Yi Ren Wealth Management'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 Heng Yu Da. These agreements will remain effective until all equity interests of Yi Ren Wealth Management held by its shareholders have been transferred or assigned to Heng Yu Da or its designated person(s).

Amended and Restated Loan Agreements. Pursuant to the loan agreements between Heng Yu Da and the shareholders of Yi Ren Wealth Management, Heng Yu Da made loans of RMB104.0 million (US$15.1 million), RMB78.0 million (US$11.3 million) and RMB78.0 million (US$11.3 million) to Ning Tang, Fanshun Kong and Yan Tian, respectively, who are the shareholders of Yi Ren Wealth Management, solely for the capitalization of Yi Ren Wealth Management. Pursuant to the loan agreement, the shareholders can only repay the loans by the sale of all their equity interest in Yi Ren Wealth Management to Heng Yu Da or its designated person(s) pursuant to their respective exclusive option agreements. The shareholders must pay all of the proceeds from sale of such equity interests to Heng Yu Da. In the event that shareholders sell their equity interests to Heng Yu Da 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 Heng Yu Da 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 Yi Ren Wealth Management and Heng Yu Da elects to exercise its exclusive equity purchase option. The term of the loans is ten years and can be extended upon mutual written consent of the parties.

Contractual Arrangements with Pu Hui

The following is a summary of the currently effective contractual arrangements by and among our wholly-owned subsidiary, Heng Ye, our consolidated variable interest entity, Pu Hui, and the shareholders of Pu Hui.

Agreements that Provide Us with Effective Control over Pu Hui

Equity Interest Pledge Agreements. Pursuant to the equity interest pledge agreements, each shareholder of Pu Hui has pledged all of his or her equity interest in Pu Hui to guarantee the shareholder's and Pu Hui's performance of their obligations under the exclusive business cooperation agreement, loan agreement, exclusive option agreement and power of attorney. If Pu Hui or any of its shareholders breaches their contractual obligations under these agreements, Heng Ye, 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 Pu Hui in accordance with the law. Each of the shareholders of Pu Hui agrees that, during the term of the equity interest pledge agreements, he or she will not dispose of the pledged equity interests or create or allow any encumbrance on the pledged equity interests without the prior written consent of Heng Ye. The equity interest pledge agreements remain effective until Pu Hui and its shareholders discharge all their obligations under the contractual arrangements. We have registered the equity pledge with the relevant office 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 Pu Hui has irrevocably appointed Heng Ye 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 Pu Hui requiring shareholder approval, disposing of all or part of the shareholder's equity interest in Pu Hui, and appointing directors and executive officers. Heng Ye is entitled to designate any person to act as such shareholder's exclusive attorney-in-fact without notifying or the approval of such shareholder, and if required by PRC law, Heng Ye shall designate a PRC citizen to exercise such right. Each power of attorney will remain in force for so long as the shareholder remains a shareholder of Pu Hui. Each shareholder has waived all the rights which have been authorized to Heng Ye and will not exercise such rights.

Agreement that Allows us to Receive Economic Benefits from Pu Hui

Exclusive Business Cooperation Agreement. Under the exclusive business cooperation agreement between Heng Ye and Pu Hui, Heng Ye has the exclusive right to provide Pu Hui with technical support, consulting services and other services. Without Heng Ye's prior written consent, Pu Hui agrees not to accept the same or any similar services provided by any third party. Heng Ye may designate other parties to provide services to Pu Hui. Pu Hui agrees to pay service fees on a monthly basis and at an amount determined by Heng Ye 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. Heng Ye owns the intellectual property rights arising out of the performance of this agreement. In addition, Pu Hui has granted Heng Ye an irrevocable and exclusive option to purchase any or all of the assets and businesses of Pu Hui at the lowest price permitted under PRC law. Unless otherwise agreed by the parties or terminated by Heng Ye unilaterally, this agreement will remain effective permanently.

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

Exclusive Option Agreement. Pursuant to the exclusive option agreements, each shareholder of Pu Hui has irrevocably granted Heng Ye 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 Pu Hui. The purchase price is equal to the higher of the amount of loan extended by Heng Ye to each shareholder of Pu Hui under the respective loan agreement or the minimum price required by PRC law. If Heng Ye exercises the option to purchase part of the equity interest held by a shareholder, the purchase price shall be calculated proportionally. Pu Hui and each of its shareholders have agreed to appoint any persons designated by Heng Ye to act as Pu Hui's directors. Without Heng Ye's prior written consent, Pu Hui 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 RMB100,000 (US$14,544) (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 Pu Hui have agreed that, without Heng Ye's prior written consent, they will not dispose of their equity interests in Pu Hui or create or allow any encumbrance on their equity interests. Moreover, without Heng Ye's prior written consent, no dividend will be distributed to Pu Hui'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 Heng Ye. These agreements will remain effective until all equity interests of Pu Hui held by its shareholders have been transferred or assigned to Heng Ye or its designated person(s).

Loan Agreements. Pursuant to the loan agreements between Heng Ye and the shareholders of Pu Hui, Heng Ye made loans in an aggregate amount of RMB30.0 million (US$4.4 million) to the shareholders of Pu Hui for the capitalization of Pu Hui. Pursuant to the loan agreement, the shareholders can only repay the loans by the sale of all their equity interest in Pu Hui to Heng Ye or its designated person(s) pursuant to their respective exclusive option agreements. The shareholders must pay all of the proceeds from sale of such equity interests to Heng Ye. In the event that shareholders sell their equity interests to Heng Ye 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 Heng Ye 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 Pu Hui and Heng Ye elects to exercise its exclusive equity purchase option. The term of the loans is ten years and can be extended upon mutual written consent of the parties.

Spousal Consent Letter. Pursuant to spousal consent letter, the spouse of each shareholder of Pu Hui, if applicable, acknowledges that the equity interests in Pu Hui held by and registered in the name of her spouse will be disposed of pursuant to the equity interest pledge agreement, the exclusive option agreement, the powers of attorney, and the loan agreement by and among Heng Ye, Pu Hui and the shareholder. The spouse of the shareholder undertakes not to make any assertions in connection with the equity interests in Pu Hui, and agrees to be bound by the afore-mentioned agreements if she receives any equity interests in Pu Hui.

Contractual Arrangements with Hui Min

The following is a summary of the currently effective contractual arrangements by and among our wholly-owned subsidiary, Heng Ye, our consolidated variable interest entity, Hui Min, and the shareholders of Hui Min.

Agreements that Provide Us with Effective Control over Hui Min

Equity Interest Pledge Agreements. Pursuant to the equity interest pledge agreements, each shareholder of Hui Min has pledged all of his or her equity interest in Hui Min to guarantee the shareholder's and Hui Min's performance of their obligations under the exclusive business cooperation agreement, loan agreement, exclusive option agreement and power of attorney. If Hui Min or any of its shareholders breaches their contractual obligations under these agreements, Heng Ye, 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 Hui Min in accordance with the law. Each of the shareholders of Hui Min agrees that, during the term of the equity interest pledge agreements, he or she will not dispose of the pledged equity interests or create or allow any encumbrance on the pledged equity interests without the prior written consent of Heng Ye. The equity interest pledge agreements remain effective until Hui Min and its shareholders discharge all their obligations under the contractual arrangements. We have registered the equity pledge with the relevant office 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 Hui Min has irrevocably appointed Heng Ye 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 Hui Min requiring shareholder approval, disposing of all or part of the shareholder's equity interest in Hui Min, and appointing directors and executive officers. Heng Ye is entitled to designate any person to act as such shareholder's exclusive attorney-in-fact without notifying or the approval of such shareholder, and if required by PRC law, Heng Ye shall designate a PRC citizen to exercise such right. Each power of attorney will remain in force for so long as the shareholder remains a shareholder of Hui Min. Each shareholder has waived all the rights which have been authorized to Heng Ye and will not exercise such rights.

Agreement that Allows us to Receive Economic Benefits from Hui Min

Exclusive Business Cooperation Agreement. Under the exclusive business cooperation agreement between Heng Ye and Hui Min, Heng Ye has the exclusive right to provide Hui Min with technical support, consulting services and other services. Without Heng Ye's prior written consent, Hui Min agrees not to accept the same or any similar services provided by any third party. Heng Ye may designate other parties to provide services to Hui Min. Hui Min agrees to pay service fees on a monthly basis and at an amount determined by Heng Ye 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. Heng Ye owns the intellectual property rights arising out of the performance of this agreement. In addition, Hui Min has granted Heng Ye an irrevocable and exclusive option to purchase any or all of the assets and businesses of Hui Min at the lowest price permitted under PRC law. Unless otherwise agreed by the parties or terminated by Heng Ye unilaterally, this agreement will remain effective permanently.

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

Exclusive Option Agreement. Pursuant to the exclusive option agreements, each shareholder of Hui Min has irrevocably granted Heng Ye 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 Hui Min. The purchase price is equal to the higher of the amount of loan extended by Heng Ye to each shareholder of Hui Min under the respective loan agreement or the minimum price required by PRC law. If Heng Ye exercises the option to purchase part of the equity interest held by a shareholder, the purchase price shall be calculated proportionally. Hui Min and each of its shareholders have agreed to appoint any persons designated by Heng Ye to act as Hui Min's directors. Without Heng Ye's prior written consent, Hui Min 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 RMB100,000 (US$14,544) (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 Hui Min have agreed that, without Heng Ye's prior written consent, they will not dispose of their equity interests in Hui Min or create or allow any encumbrance on their equity interests. Moreover, without Heng Ye's prior written consent, no dividend will be distributed to Hui Min'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 Heng Ye. These agreements will remain effective until all equity interests of Hui Min held by its shareholders have been transferred or assigned to Heng Ye or its designated person(s).

Loan Agreements. Pursuant to the loan agreements between Heng Ye and the shareholders of Hui Min, Heng Ye made loans in an aggregate amount of RMB200.0 million (US$29.1 million) to the shareholders of Hui Min for the capitalization of Hui Min. Pursuant to the loan agreement, the shareholders can only repay the loans by the sale of all their equity interest in Hui Min to Heng Ye or its designated person(s) pursuant to their respective exclusive option agreements. The shareholders must pay all of the proceeds from sale of such equity interests to Heng Ye. In the event that shareholders sell their equity interests to Heng Ye 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 Heng Ye 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 Hui Min and Heng Ye elects to exercise its exclusive equity purchase option. The term of the loans is ten years and can be extended upon mutual written consent of the parties.

Spousal Consent Letters. Pursuant to the spousal consent letters, the spouse of each of the shareholders, if applicable, of Hui Min acknowledges that the equity interests in Hui Min held by and registered in the name of his or her spouse will be disposed of pursuant to the equity interest pledge agreement, the exclusive option agreement, the powers of attorney, and the loan agreement by and among Heng Ye, Hui Min and his or her spouse. The spouses undertake not to make any assertions in connection with the equity interests in Hui Min, and agree to be bound by the afore-mentioned agreements if they receive any equity interests in Pu Hui.

In the opinion of Han Kun Law Offices, our PRC counsel:

- the ownership structures of our subsidiaries, Heng Ye and Heng Yu Da, and our variable interest entities, Heng Cheng, Yi Ren Wealth Management, Pu Hui and Hui Min, will not result in any violation of PRC laws or regulations currently in effect; and

- the contractual arrangements relating to Heng Cheng, Yi Ren Wealth Management, Pu Hui and Hui Min, our variable interest entities, governed by PRC law are valid, binding and enforceable, and do not and will not result in any violation of PRC laws or regulations currently in effect.

However, there are substantial uncertainties regarding the interpretation and application of current and future PRC laws, regulations and rules. On March 15, 2019, the National People's Congress approved the Foreign Investment Law, which will come into effect on January 1, 2020. Under the Foreign Investment Law, "foreign investment" refers to the investment activities directly or indirectly conducted by foreign individuals, enterprises or other entities in China. Although it does not explicitly classify contractual arrangements as a form of foreign investment, there is no assurance that foreign investment via contractual arrangement would not be interpreted as a type of indirect foreign investment activities under the definition in the future. In addition, the definition contains a catch-all provision which includes investments made by foreign investors through means stipulated in laws or administrative regulations or other methods prescribed by the State Council. Therefore, it still leaves leeway for future laws, administrative regulations or provisions promulgated by the State Council to provide for contractual arrangements as a form of foreign investment. If the PRC government finds that the agreements that establish the structure for operating our online consumer finance marketplace business do not comply with PRC government restrictions on foreign investment in value-added telecommunications services businesses, such as internet content provision services, we could be subject to severe 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 deems that the contractual arrangements in relation to our consolidated variable interest entities, do not comply with PRC regulatory restrictions on foreign investment in the relevant industries, or if these regulations or the interpretation of existing regulations change in the future, we could be subject to severe penalties or be forced to relinquish our interests in those operations," "Item. 3 Key Information—D. Risk Factors—Risks Related to Doing Business in China—We may be adversely affected by the complexity, uncertainties and changes in PRC regulation of internet-related businesses and companies, and any lack of requisite approvals, licenses or permits applicable to our business may have a material adverse effect on our business and results of operations," "Item. 3 Key Information—D. Risk Factors—Risks Related to Doing Business in China—Uncertainties in the interpretation and enforcement of Chinese laws and regulations could limit the legal protections available to us," and "Item. 3 Key Information—D. Risk Factors—Risks Related to Doing Business in China—Uncertainties exist with respect to the interpretation and implementation of the newly enacted PRC Foreign Investment law and how it may impact the viability of our current corporate structure, corporate governance and business operations."

D. Property, Plant and Equipment

Our principal executive offices are located on leased premises comprising 3,485.2 square meters in Beijing, China. We have leased additional office spaces of 1,839.0 square meters in Chongqing, China. We lease our premises from unrelated third parties under operating lease agreements. The lease for our principal executive offices will expire in January 2022. Our servers are primarily hosted at internet data centers owned by major domestic internet data center providers. The hosting services agreements typically have three year terms. We believe that we will be able to obtain adequate facilities, principally through leasing, to accommodate our future expansion plans.

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.

A. Operating Results

Overview

We are a leading fintech company in China connecting investors and individual borrowers. We facilitated loans in an aggregate principal amount of approximately RMB112.5 billion (US$16.4 billion) and served 1,529,840 borrowers and 1,602,530 investors from our inception in March 2012 through December 31, 2018. Our online platform automates key aspects of our operations and enables us to efficiently match borrowers with investors and facilitate and execute loan transactions. Our borrowers come from a variety of channels, including online sources, such as the internet and our mobile applications, as well as offline sources, such as referrals from CreditEase's nationwide service network. Our technology-driven platform provides a flexible, cost-efficient and time-saving solution to address their consumption needs.

Currently, all of our investors come from online channels. Our online marketplace provides investors with attractive returns with investment thresholds as low as RMB100 (US$14.5). Investors have the option to individually select specific loans to invest in or to use our automated investing tool that identifies and selects loans on the basis of a targeted return. With the aim of limiting losses to investors from borrower defaults, we also cooperate with insurance and guarantee companies to offer investors protection mechanisms. In addition, we provide investors with access to a liquid secondary market, giving them an opportunity to exit their investments before the underlying loans become due. We have started to enable independent third parties to promote and sell insurance products and mutual fund investment products to our investors on our platform so as to cater to various needs of our investors, including the growing needs of online wealth management services.

We generate revenues primarily from fees charged for our services in matching individual borrowers with investors and for other services we provide over the life of a loan. We charge borrowers transaction fees for services provided through our platform in facilitating loan transactions, and charge investors service fees for using our automated investing tool or self-directed investing tool.

Major Factors Affecting Our Results of Operations

Major factors affecting our results of operations include the following:

Economic Conditions in China

The demand for online consumer finance marketplace services from borrowers and investors is dependent upon overall economic conditions in China. General economic factors, including the interest rate environment and unemployment rates, may affect borrowers' willingness to seek loans and investors' ability and desire to invest in loans. For example, significant increases in interest rates could cause potential borrowers to defer obtaining loans as they wait for interest rates to become stable or decrease. Additionally, a slowdown in the economy, such as from a rise in the unemployment rate and a decrease in real income, may affect individuals' level of disposable income. This may negatively affect borrowers' repayment capability, which in turn may decrease their willingness to seek loans and potentially cause an increase in default rates. If actual or expected default rates increase generally in China or the consumer finance market, investors may delay or reduce their investments in loan products in general, including on our marketplace.

Ability to Acquire Borrowers and Investors Effectively

Our ability to increase the loan volume facilitated through our marketplace largely depends on our ability to attract potential borrowers and investors through sales and marketing efforts. Our sales and marketing efforts include those related to borrower and investor acquisition and retention, and general marketing. We intend to continue to dedicate significant resources to our sales and marketing efforts and constantly seek to improve the effectiveness of these efforts, in particular with regard to borrower and investor acquisition.

We utilize online channels and offline channels, such as CreditEase's nationwide service network, for borrower acquisition. We attract a fast growing number of our borrowers through various online channels. In addition, CreditEase's nationwide service network refers borrowers who fall within our target borrower group to our online marketplace. CreditEase charges us a fee for offline borrower acquisition services. For the three years starting 2016, the fee rate will be 6% of the loans facilitated to borrowers referred by CreditEase. After that, the fee rate may be adjusted on a yearly basis based on commercial negotiation, and after taking into consideration the costs to CreditEase for providing such services and with reference to market rates. Currently, referrals from CreditEase's nationwide service network account for a majority of our borrowers and loan volume. In 2016, 2017 and 2018, 42.5%, 27.1% and 28.2% of our borrowers were acquired through referrals from CreditEase, respectively, contributing 62.0%, 45.6% and 41.1% of the total amount of loans facilitated through our marketplace, respectively. As we acquire more borrowers, the volume of loans facilitated over our marketplace is expected to continue to increase.

Furthermore, our fee collection schedules from borrowers differ depending on the channels in which the borrowers are acquired. Borrowers acquired from online channels typically only pay a portion of the transaction fee upfront, with the remainder on a monthly basis over the term of the loan while transaction fees are collected upfront from borrowers acquired through offline channels. As a result, for each risk grade, the overall fee for the lifetime of a loan charged to a borrower acquired from online channels is generally higher than that charged to a borrower acquired from offline channels. Given revenues are currently recognized at the time when the transaction fees are collected, the combination of loans facilitated by channel during a specific period may have an impact on our revenues and results of operations.

Currently, all of our investors come from online channels. Our investor acquisition efforts are primarily directed towards enhancing our brand name, building investor trust, and word-of-mouth marketing.

Effectiveness of Risk Management

Our ability to effectively segment borrowers into appropriate risk profiles affects our ability to offer attractive pricing to borrowers as well as our ability to offer investors attractive returns, both of which directly relate to the level of user confidence in our marketplace. Our proprietary risk management system is built upon data accumulated through our operations, and is further supported by an extensive database accumulated by CreditEase over the past nine years. Our risk management model utilizes big data capabilities to automatically evaluate a borrower's credit characteristics. At the same time, we use automated verification and fraud detection tools to ensure the quality of the loans facilitated on our marketplace, and supplement these technology driven tools with manual processes when necessary. Furthermore, our ability to effectively evaluate a borrower's risk profile and likelihood of default may directly affect our results of operations. For some of the loans facilitated through our marketplace, borrowers pay us a certain portion of the transaction fees upfront upon the completion of our loan facilitation services and the rest on a monthly basis over the term of the applicable loan. If a borrower defaults, we may not be able to collect the outstanding transaction fees from the borrower.

Prior to May 2018, we operated a quality assurance program for investor protection purposes. See "Item 4. Information on the Company—B. Business Overview—Risk Management—Investor Protection." The funding and operation of quality assurance program may have a material impact on our financial condition. In particular, a significant increase in our expected quality assurance program net payouts would have a negative impact on our net revenues and net income. Our ability to assess the expected quality assurance program net payouts depends on our ability to manage and forecast the performance, or the charge-off rates, of the loans facilitated through our marketplace. Our financial condition is no longer subject to the foregoing impact after we discontinued the operation of the quality assurance program and transferred all our liabilities associated with the quality assurance program to a third-party guarantee company at fair value in May 2018.

In addition, we cooperated with a bank to furnish borrower referral and facilitation services to the bank from August 2017 to December 2017. We provided guarantee deposits to the bank to protect it from potential losses due to loan delinquency and undertook to replenish such deposit from time to time so that the amount of guarantee deposits met a certain percentage of the related outstanding loan. We also undertake to repay the bank on behalf of defaulting borrowers if any repayment is 80 days overdue and upon such full repayment to the bank, we will obtain the creditor's rights in respect of the relevant default amount. At the inception of each loan, we recognize a liability from guarantee and a deduction of net revenue at the fair value of the quality assurance program, which is the present value of the expected guarantee net payouts incorporating a service markup margin. When we make actual net payouts from the guarantee in the event of default of loans, such net payouts are recorded as a reduction of the liability from guarantee. When our contingent liability exceeds our stand-ready liability, the difference is recorded as additional liability from guarantee and expensed in our financial statements. As a result, a significant increase in our expected guarantee net payouts may have a negative impact on our net income.

Product Mix and Pricing

Our ability to maintain profitability largely depends on our ability to continually optimize our product mix and to accurately price the loans facilitated through our platform. As part of our efforts to introduce risk-based pricing, we have developed four different segments in our previous pricing grid, and starting May 1, 2017, we have adopted, an upgraded risk grid with five segments, which we refer to as Grade I, Grade II, Grade III, Grade IV and Grade V. The expected net charge off rate and actual observed results for each of these customer groups divide potential borrowers into distinctively different credit segments. See "Item 4. Information on the Company—Business Overview—Risk Management—Proprietary Credit Scoring Model and Loan Qualification System." In response to market competition or further developments, we may spend more effort promoting certain loan products, manage the growth in volume of other loan products, introduce new products with new risk grades or adjust the pricing of our existing products. In addition, we used to offer investor protection service in the form of a quality assurance program to cover potential defaults, and the product mix also had a significant impact on our liabilities from quality assurance program, given the different levels of default risk associated with the different risk grades. Any material change in the product mix could have a significant impact on our profitability and net income margin.

Ability to Innovate

Our success to date has depended on, and our future success will depend in part on, successfully meeting borrower and investor demand with new and innovative loan and investment products. We have made and intend to continue to make efforts to develop loan and investment products for borrowers and investors. We constantly evaluate the popularity of our existing product offerings and develop new products and services that cater to the ever evolving needs of our borrowers and investors. Over time we will continue to expand our offerings by introducing new products. From the borrower perspective, we will continue to develop tailored credit products to meet the specific needs of our target borrowers. We plan to expand our ability to implement risk-based pricing by developing more risk grades to optimize loans based on individual credit criteria, enabling us to facilitate customized loans tailored to individual borrowers' specific credit profiles. See "—C. Research and Development." Failure to continue to successfully develop and offer innovative products and for such products to gain broad customer acceptance could adversely affect our operating results and we may not recoup the costs of launching and marketing new products.

Ability to Compete Effectively

Our business and results of operations depend on our ability to compete effectively in the markets in which we operate. The online consumer finance marketplace industry in China is intensely competitive, and we expect that competition to persist and intensify in the future. In addition to competing with other consumer finance marketplaces, we also compete with other types of financial products and companies that attract borrowers, investors or both. With respect to borrowers, we primarily compete with traditional financial institutions, such as consumer finance business units in commercial banks, credit card issuers and other consumer finance companies. With respect to investors, we primarily compete with other investment products and asset classes, such as equities, bonds, investment trust products, bank savings accounts, real estate and alternative asset classes. If we are unable to compete effectively, the demand for our marketplace could stagnate or substantially decline, we could experience reduced revenues or our marketplace could fail to maintain or achieve more widespread market acceptance, any of which could harm our business and results of operations.

Regulatory Environment in China

The regulatory environment for the online lending information intermediary service industry in China is developing and evolving, creating both challenges and opportunities that could affect our financial performance. Due to the relatively short history of the online lending information intermediary service industry in China, although PRC government has issued certain guidelines, regulations and rules to regulate and support the development of the online lending information intermediary service industry in China, the PRC government has yet to establish a comprehensive regulatory framework governing our industry. Recently, PRC government has issued several rules and regulations, aiming to enhance the regulation of online lending information intermediary service industry in China. These rules and regulations has limited and adversely affected our business growth in terms of, among other things, our business scale, number of users, loan facilitation amount and outstanding loan balance while causing us to incur additional compliance costs. Both number of borrowers and loan volume facilitated through our marketplace decreased in 2018. We will continue to make efforts to ensure that we are compliant with the existing laws, regulations and governmental policies relating to our industry and to comply with new laws and regulations or changes under existing laws and regulations that may arise in the future. While new laws and regulations or changes to existing laws and regulations could make loans more difficult to be accepted by investors or borrowers on terms favorable to us, or at all, these events could also provide new product and market opportunities. We will continue to diversify funding sources, expand our loan product mix and enhance our risk management to support our business growth.

Loan Performance Data

Delinquency Rates

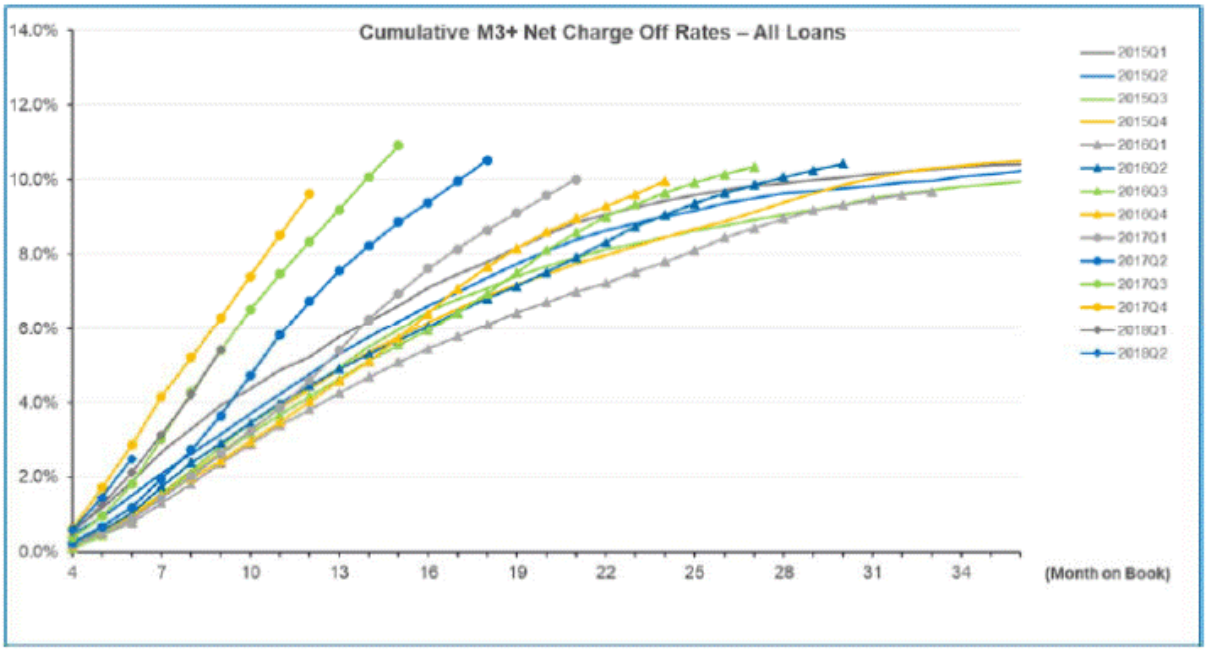
We define the delinquency rates as the balance of principal and interest for loans unpaid by borrowers that were 15 to 29, 30 to 59, 60 to 89, 90 to 179, 180 to 359, and 360 and over 360 calendar days past due as of the end of the period as a percentage of the total unpaid balance of principal and interest for the relevant group of loans. The following tables provide our delinquency rates for all loans and by channel as of December 31, 2016, 2017 and 2018:

	Delinquent for					
	15-29 days	30-59 days	60-89 days	90-179 days[1]	180-359 days[1]	360 days and above[1]
All Loans						
December 31, 2016	0.4%	0.7%	0.6%	1.3%	1.7%	1.5%
December 31, 2017	0.8%	0.9%	0.7%	1.5%	1.9%	2.9%
December 31, 2018	1.0%	1.9%	1.8%	4.0%	6.5%	7.7%
Online Channels						
December 31, 2016	0.6%	1.0%	0.8%	1.6%	2.1%	2.1%
December 31, 2017	1.2%	1.2%	0.9%	1.8%	2.0%	2.7%
December 31, 2018	1.2%	2.4%	2.2%	5.1%	8.3%	8.1%
Offline Channels						
December 31, 2016	0.4%	0.6%	0.4%	1.1%	1.4%	1.2%
December 31, 2017	0.5%	0.7%	0.5%	1.2%	1.8%	3.0%
December 31, 2018	0.8%	1.4%	1.3%	2.9%	4.7%	7.4%

(1) Loans that are delinquent for more than 89 days are counted towards the M3+ Net Charge-off Rates. See "—M3+ Net Charge-off Rates."

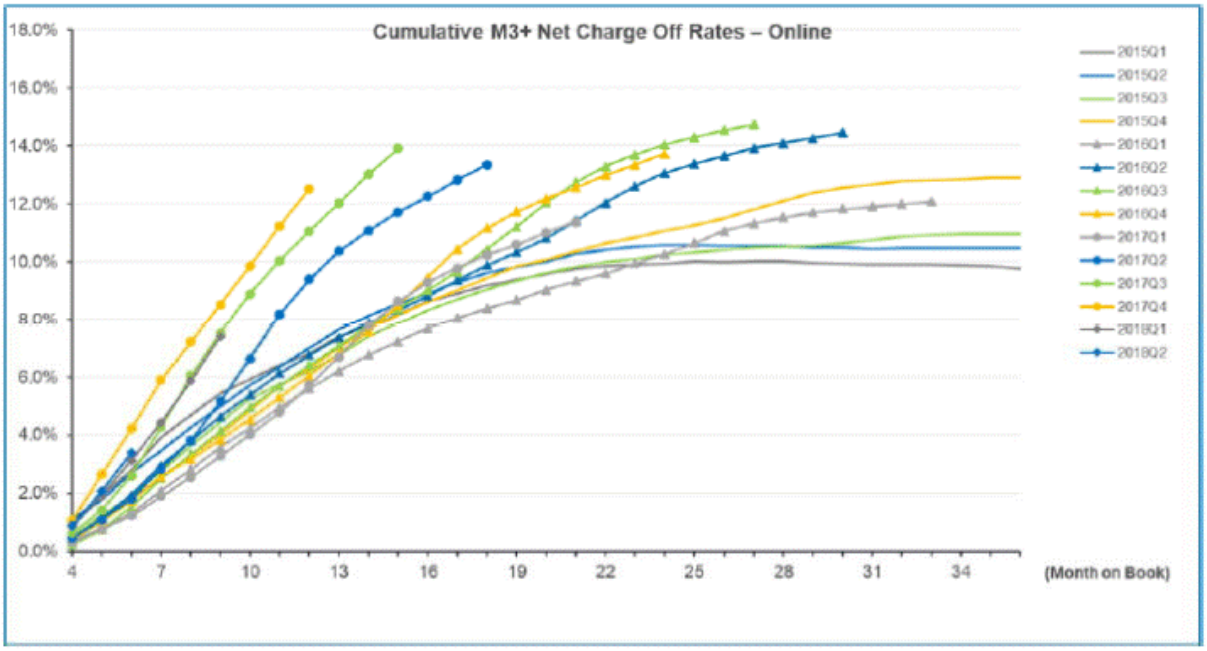
M3+ Net Charge-off Rates

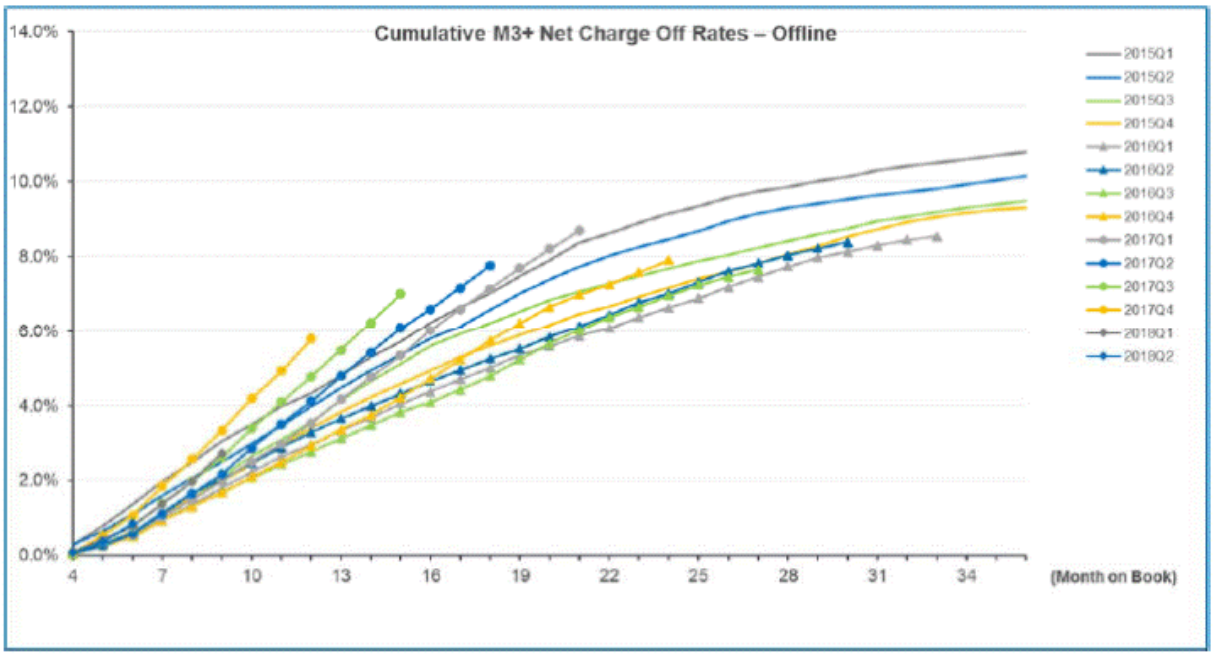
We currently define M3+ Net Charge-off Rate, with respect to loans facilitated during a specified time period, which we refer to as a vintage, as the difference between (i) the total balance of outstanding principal of loans that become over three months delinquent during a specified period and (ii) the total amount of recovered past due payments of principal and accrued interest in the same period with respect to all loans in the same vintage that have ever become over three months delinquent, divided by (iii) the total initial principal of the loans facilitated in such vintage. As this definition is different from the one used in the past, we have applied the change retroactively to all the historical periods. The following chart and table display the historical lifetime cumulative M3+ Net Charge-off Rates through December 31, 2018, by vintage, for loan products facilitated through our online marketplace for each of the months shown for all loans:



Vintage	Month on Book										
	4th	7th	10th	13th	16th	19th	22nd	25th	28th	31st	34th
	(%)										
2013Q1	1.9	3.2	3.1	2.3	2.0	0.9	0.5	0.5	0.4	0.4	0.4
2013Q2	1.8	3.6	4.5	5.9	6.4	7.4	6.1	7.0	7.5	7.5	7.8
2013Q3	0.5	2.8	4.2	5.5	6.1	6.5	7.1	7.1	7.0	6.9	6.9
2013Q4	0.7	3.4	4.8	6.2	6.8	7.5	8.3	8.3	8.2	8.5	8.3
2014Q1	1.0	4.2	6.1	7.0	8.4	9.3	9.8	9.7	9.9	9.8	9.5
2014Q2	0.5	1.8	2.6	3.8	4.3	4.6	4.6	4.7	4.7	4.7	4.8
2014Q3	0.2	0.8	2.0	2.8	3.3	3.7	4.0	4.2	4.2	4.1	4.1
2014Q4	0.3	1.5	2.7	3.5	4.1	4.6	5.1	5.2	5.2	5.3	5.3
2015Q1	0.6	2.7	4.4	5.8	7.1	8.2	9.1	9.6	9.9	10.2	10.3
2015Q2	0.5	2.1	3.7	5.3	6.6	7.7	8.6	9.2	9.6	9.8	10.1
2015Q3	0.2	1.6	3.4	4.9	6.4	7.4	8.1	8.6	9.1	9.5	9.8
2015Q4	0.2	1.6	3.2	4.9	6.2	7.2	8.0	8.7	9.4	10.0	10.4
2016Q1	0.2	1.3	2.9	4.3	5.4	6.4	7.2	8.1	8.9	9.5	—
2016Q2	0.2	1.7	3.4	4.9	6.1	7.1	8.3	9.4	10.1	—	—
2016Q3	0.1	1.5	3.2	4.6	6.0	7.5	9.0	9.9	—	—	—
2016Q4	0.2	1.5	3.0	4.6	6.4	8.2	9.3	—	—	—	—
2017Q1	0.2	1.4	3.2	5.4	7.6	9.1	—	—	—	—	—
2017Q2	0.3	2.0	4.7	7.5	9.4	—	—	—	—	—	—
2017Q3	0.4	3.0	6.5	9.2	—	—	—	—	—	—	—
2017Q4	0.6	4.2	7.4	—	—	—	—	—	—	—	—
2018Q1	0.5	3.1	—	—	—	—	—	—	—	—	—
2018Q2	0.6	—	—	—	—	—	—	—	—	—	—

The following charts display the historical lifetime cumulative M3+ Net Charge-off Rates through December 31, 2018, by vintage, for loan products facilitated through our online marketplace for each of the months shown for loans generated from our online and offline channels, respectively:





Prior to the second quarter of 2017, we had four segments of loans in our then in-effect pricing grid, which we refer to as Grade A, Grade B, Grade C and Grade D loans. In the second quarter of 2017, we launched our current credit scoring system, the Yiren score, which can be used to more accurately characterize borrower's credit profile. We have also decided to adopt, starting May 1, 2017, an upgraded risk grid with five segments, which we refer to as Grade I, Grade II, Grade III, Grade IV and Grade V. The expected M3+ Net Charge-off Rates and actual observed results for each of these customer groups divide potential borrowers into distinctively different credit segments. See "Item 4. Information on the Company—Business Overview—Risk Management—Proprietary Credit Scoring Model and Loan Qualification System."

The following table provides the amount of loans generated through our platform during each of the periods presented and the corresponding accumulated M3+ Net Charge-off and M3+ Net Charge-off Rate data as of December 31, 2018 for the loans facilitated during each of the periods presented by risk grade.

Period	Risk grade	Amount of loans facilitated during the period		Accumulated M3+ Net Charge-off as of December 31, 2018	Net Charge-off Rate as of December 31, 2018
		(in RMB thousands)	%	(in RMB thousands)	%
2016	I	497,220	2.4	20,336	4.1
	II	3,137,889	15.4	170,796	5.4
	III	3,763,081	18.5	266,983	7.1
	IV	5,183,233	25.4	468,372	9.0
	V	7,799,180	38.3	1,171,998	15.0
	Total	20,380,603	100.0	2,098,485	10.3
2017	I	2,701,162	6.5	111,688	4.1
	II	9,079,647	21.9	749,174	8.3
	III	10,611,451	25.6	1,211,262	11.4
	IV	10,263,135	24.8	1,285,630	12.5
	V	8,750,663	21.2	1,166,265	13.3
	Total	41,406,058	100.0	4,524,019	10.9
2018	I	4,004,135	10.4	45,778	1.1
	II	11,390,441	29.5	260,898	2.3
	III	11,230,283	29.1	340,428	3.0
	IV	8,174,933	21.2	385,731	4.7
	V	3,806,481	9.8	273,467	7.2
	Total	38,606,273	100.0	1,306,302	3.4

(1) We define M3+ Net Charge-off, with respect to loans facilitated during a specified time period, which we refer to as a vintage, as the difference between (i) the total balance of outstanding principal of loans that become over three months delinquent during a specified period and (ii) the total amount of recovered past due payments of principal and accrued interest in the same period with respect to all loans in the same vintage that have ever become over three months delinquent.

(2) We define M3+ Net Charge-off Rate, with respect to loans facilitated during a specified time period, which we refer to as a vintage, as the M3+ Net Charge-off divided by the total initial principal of the loans facilitated in such vintage.

Our business and financial performance depend on our ability to manage and forecast net charge-off rates. However, given our limited operating history, we have limited information on historical charge-off rates, and as a result, we may not be able to conduct an accurate charge-off forecast for our target borrower group. In addition, due to the uncertainty of industry regulations, we expect borrower credit performance may volatile in foreseeable future, which may lead to higher default rates and adverse impacts on our reputation, business, results of operations and financial positions. See "Item 4. Information on the Company—B. Business Overview—Risk Management."

Selected Statements of Operations Items

Net Revenues

Our revenues consist of revenues from loan facilitation services, post-origination services, account management services and others. The following table sets forth the breakdown of our net revenues, both in absolute amount and as a percentage of our total net revenues, for the periods presented:

	For the Year Ended December 31,						
	2016		2017		2018		
	RMB	%	RMB	%	RMB	US$	%
	(in thousands, except for percentages)						
Net revenues:							
Loan facilitation services	3,133,423	96.8	5,226,691	94.3	3,413,052	496,408	60.7
Post-origination services	84,154	2.6	187,216	3.4	290,728	42,285	5.2
Account management services	—	—	—	—	1,625,461	236,413	28.9
Others	20,414	0.6	129,443	2.3	291,487	42,395	5.2
Total net revenues	3,237,991	100.0	5,543,350	100.0	5,620,728	817,501	100.0

Before our adoption of ASU 2014-09, "Revenue from contracts with Customers" (Topic 606) on January 1, 2018, we considered the loan facilitation services, the quality assurance program and post-origination services as a multiple deliverable revenue arrangement. All non-contingent fees, including mainly the transaction fees charged to borrowers and the service fees charged to investors, are allocated among these three elements. To the extent applicable, the total non-contingent fees are allocated first the amount equal to the fair value of the stand-ready liability from the quality assurance program as discussed under "—Critical Accounting Policies, Judgments and Estimates—Liabilities from Quality Assurance Program," and then allocated between loan facilitation services and post-origination services based on their relative estimated selling prices. See "—Critical Accounting Policies, Judgments and Estimates—Revenue Recognition."

We adopted ASU 2014-09, "Revenue from Contracts with Customers" (Topic 606) and all subsequent ASUs that modified Topic 606 on January 1, 2018 using the modified retrospective method. We recognized the cumulative effect of applying the new revenue standard as an adjustment to the beginning balance of retained earnings. The comparative information is not restated and continues to be reported under the accounting standards in effect for the period presented. Under Topic 606, both investors and borrowers are regarded as our customers. The ability and intention of both borrowers and investors to pay the service fees is assessed to be probable, based on historical experiences as well as the credit due diligence performed on each borrower prior to loan origination. We consider the loan facilitation services, quality assurance program for periods prior to May 2018, and post-origination services as three separate services of which the quality assurance program is accounted for in accordance with ASC Topic 460, Guarantees. While the post-origination service is within the scope of ASC Topic 860, the Topic 606 revenue recognition model is applied due to the lack of definitive guidance in ASC Topic 860. The loan facilitation service and post-origination service are two separate performance obligations under Topic 606, as these two deliverables are distinct in that customers can benefit from each service on its own and our promises to deliver the services are separately identifiable from each other in the contract. The transaction price of loan facilitation service and post-origination service to be the service fees chargeable from the borrowers, net of value-added tax. The transaction price includes variable consideration in the form of prepayment risk of the borrowers. We first allocates the transaction price to the guarantee liabilities, if any, in accordance with ASC Topic 460, and the remaining considerations are allocated to the loan facilitation services and post origination services using their relative standalone selling prices, which is estimated using expected cost plus margin approach.

Revenues from loan facilitation are recognized at the time a loan is originated between the investor and the borrower and the loan principal is transferred to the borrower, at which time the facilitation service is considered completed. Revenues from post-origination services are recognized on a straight-line basis over the term of the underlying loans as the services are provided. Revenues from guarantee services, if any, are recognized through performance of the guarantees (by making payments for defaults) or at the expiry of the guarantee term.

Under Topic 606, the transaction price of account management service is the management fee charged to investors monthly as the excess of actual return over the expected return. The service fees derived from investors using the automated investment tool are initially estimated based on historical experience of returns on similar investment products and current trends. The service fees are recognized on a straight-line basis over the term of the investment period.

Transaction fees. We charge borrowers transaction fees for the work we perform through our platform in connecting borrowers with investors and for facilitating loan transactions, which are recognized as loan facilitation service and post-origination service revenue. The amount of the transaction fee charged is based upon the pricing and amount of the underlying loan.

Yiren scores, our current credit scoring system that was adopted on May 1, 2017, have five segments, which we refer to as Grade I, Grade II, Grade III, Grade IV and Grade V. The expected net charge off rate and actual observed results for each of these customer groups divide potential borrowers into distinctively different credit segments. See "Item 4. Information on the Company—Business Overview—Risk Management—Proprietary Credit Scoring Model and Loan Qualification System."

The transaction fee rate that we charge borrowers varies depending on the risk grade of the loan facilitated. For loans within the same risk grade, the transaction fee rate also varies depending on the term of the loan and repayment schedule. The rate for transaction fees we charge borrowers is a component of the total cost of borrowing for borrowers, with the other component being the fixed interest rate to investors and fees related to the credit assurance program or insurance charges from PICC after May 2018 for each risk grade. See "Item 4. Information on the Company—B. Business Overview—Risk Management—Proprietary Credit Scoring Model and Loan Qualification System."

The following table presents the risk grades with the corresponding Yiren scores, the expected M3+ Net Charge-off Rate, the current annualized interest rate and the average transaction fee rate:

Risk Grade	Yiren Scores	Expected M3+ Net Charge-off Rate	Annualized Interest Rate [1]	Average Transaction Fee Rate Covered by QAP [2]	Average Transaction Fee Rate Covered by CAP and Surety Insurance [2]
I	790+	<3.0%	10.0-12.0%	23.0%	13.3%
II	750-<790	3.0% - 5.0%	10.0-12.0%	29.5%	18.4%
III	720-<750	5.0% - 7.0%	10.0-12.0%	33.8%	18.9%
IV	690-<720	7.0% - 9.0%	10.0-12.0%	34.2%	18.0%
V	640-<690	9.0% - 13.0%	10.0-12.0%	35.4%	13.1%

(1) The annualized interest rate that borrowers pay to investors varies from 10.0% to 12.0%, depending on the term of the loan.

(2) Under our previous quality assurance program, the transaction fee rate is calculated as the total transaction fee (excluding interests but including the fee we charge for our services associated with the quality assurance program) that borrowers should pay for the entire life of the loan, divided by the total amount of principal. In January 2018, we began to cooperate with insurance and guarantee companies while discontinuing the operation of the quality assurance program in May 2018, insurance premium and guarantee fees charged by insurance and guarantee companies are excluded in the calculation of transaction fee rate. The average transaction fee rate presented in the table above is the weighted average of the transaction fee rates for loans falling under the same risk grade, but with different tenures and repayment schedules.

In 2016, 2017 and 2018, our weighted average transaction fee rate was 23.6%, 20.2% and 14.7%, respectively. The decrease in the weighted average transaction fee rate from 2016 to 2017 was primarily due to shorter weighted average tenor of loans facilitated on our platform in 2017. The decrease in the weighted average transaction fee rate from 2017 to 2018 was primarily due to the discontinuation of quality assurance program and thus we no longer provide the related services, for which we used to charge fees.

We have and will continue to implement tighter risk policy to proactively control our business growth in order to improve the asset quality of new loans facilitated through our marketplace. In addition, Beijing Rectification Office issued a Notice on January 24, 2019 requiring online lending intermediaries to continue to reduce its business scale and number of borrowers and lenders during the administrative verification period. In order to prepare us for more sustainable growth in the long run and to comply with the laws, rules and regulations relating to the online lending information intermediary service industry, we expect that transaction fees will be stable in the foreseeable future.

Monthly management fees. We charge investors monthly management fee for using the automated investing tool and the self-directed investing tool, which is recognized as account management services revenue. The monthly management fee for using the automated investing tool is the difference between the interest rates on the underlying loans which range from 10.0% and 12.0%, and the targeted returns offered to investors which are up to 10.3%. The monthly management fee for using the self-directed investing tool is equal to 10% of the interest that investors receive, which ranges from 10.0% to 12.0%. The service fees charged to investors for the automated investing tool or self-directed investing tool are collected on a monthly basis through the investment period. In 2018, more than 99% of investors made investments on our marketplace using the automated investing tool. We expect that service fees will increase in the foreseeable future, as our business further grows and we develop and introduce new services and investing tools to investors.

Others. We also charge other fees contingent on future events, such as penalty fee for loan prepayment or late payment, one-time fees for transferring loans over our secondary loan market and other service fees. Penalty fee for late payment is charged to borrowers as a certain percentage of the past due amount and penalty fee for prepayment is charged to borrowers as a certain percentage of interest over the prepaid amount of loan principal.

Operating Costs and Expenses

Our operating costs and expenses consist of sales and marketing expenses, origination and servicing expenses, general and administrative expenses, provision for contingent liability and allowance for contract assets. The following table sets forth our operating costs and expenses, both in absolute amount and as a percentage of our total operating costs and expenses, for the periods indicated:

	For the Year Ended December 31,						
	2016		2017		2018		
	RMB	%	RMB	%	RMB	US$	%
	(in thousands, except for percentages)						
Operating costs and expenses:							
Sales and marketing	1,571,038	73.0	2,921,236	75.6	2,525,876	367,373	52.8
Origination and servicing	180,076	8.4	417,882	10.8	644,303	93,710	13.5
General and administrative	320,848	14.8	483,796	12.5	525,094	76,372	11.0
Provision for contingent liability	81,263	3.8	43,049	1.1	419,581	61,025	8.8
Allowance for contract assets	—	—	—	—	667,846	97,135	13.9
Total operating costs and expenses	2,153,225	100.0	3,865,963	100.0	4,782,700	695,615	100.0

Sales and marketing expenses. Sales and marketing expenses consist primarily of variable marketing expenses, including those related to borrower and investor acquisition and retention and general brand and awareness building. Our user acquisition expenses include charges by third-party online channels for online marketing services such as search engine marketing and search engine optimization, and referral fees charged by CreditEase relating to offline borrower and investor acquisition. Our user acquisition expenses represent the primary costs that are associated with our loan facilitation services.

The following table presents the breakdown of sales and marketing expenses into those associated with user acquisition through online and offline channels and general brand promotion, both in absolute amount and as a percentage of total sales and marketing expenses, during the periods indicated:

	For the Year Ended December 31,						
	2016		2017		2018		
	RMB	%	RMB	%	RMB	US$	%
	(in thousands, except for percentages)						
Sales and marketing expenses:							
User acquisition through online channels	818,077	52.1	1,908,030	65.3	1,516,179	220,518	60.1
User acquisition through offline channels[(1)]	722,978	46.0	991,976	34.0	981,002	142,681	38.8
General brand promotion	29,983	1.9	21,230	0.7	28,695	4,174	1.1
Total sales and marketing expenses	1,571,038	100.0	2,921,236	100.0	2,525,876	367,373	100.0

(1) Sales and marketing expenses associated with user acquisition through offline channels consist solely of referral fees paid to CreditEase for borrower and investor referrals.

Despite the decrease in sales and marketing expenses in 2018, compared to 2017, we expect that our overall sales and marketing expenses will increase, and our brand promotion expenses will also increase, in absolute amount in the foreseeable future as we further develop our business. In particular, on March 25, 2019, we entered into a set of definitive agreements with CreditEase regarding a business realignment between CreditEase and us. Concurrently with the execution of foregoing definitive agreements and as a part of the contemplated transactions, we obtained control over Pu Hui and Hui Min through a series of contractual arrangements and started to consolidate their financial results since then. We can now obtain offline customers through Puhui's nationwide service network. However, during the period of business realignment, sales and marketing expenses may increase as it takes time to integrate and improve efficiency of the combined business.

Origination and servicing expenses. Origination and servicing expenses consist primarily of variable expenses and vendor costs, including costs related to credit assessment, customer and system support, payment processing services and collection, associated with facilitating and servicing loans. We expect our origination and servicing expenses to increase in absolute amount in the foreseeable future as we further develop our business.

General and administrative expenses. General and administrative expenses consist primarily of salaries and benefits related to technology, accounting and finance, business development, legal, human resources and other personnel. We expect our general and administrative expenses to continue to increase in absolute amount in the foreseeable future, as our business further grows and 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.

Provision for contingent liability. Provision for contingent liability represents the provision recognized in excess of stand-ready liability related to quality assurance program, prior to the discontinuation of our quality assurance program in May 2018.

Allowance for contract assets. Allowance for contract assets was the credit loss of contact assets recorded due to our adoption of the new revenue recognition standard, ASU 2014-09, "Revenue from contracts with Customers" (Topic 606), effective January 1, 2018.

Taxation

Cayman Islands

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

Hong Kong

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

China

Generally, our subsidiaries and consolidated variable interest entities in China are subject to enterprise income tax on their taxable income in China at a rate of 25%. The enterprise income tax is calculated based on the entity's global income as determined under PRC tax laws and accounting standards.

We are subject to VAT at a rate of 6% on the services we provide to borrowers and investors, less any deductible VAT we have already paid or borne. We are also subject to surcharges on VAT payments in accordance with PRC law. During the periods presented, we were not subject to business tax on the services we provide.

Dividends paid by our wholly foreign-owned subsidiaries in China to our intermediary holding company in Hong Kong will be subject to a withholding tax rate of 10%, unless the relevant Hong Kong entity satisfies all the requirements under the Arrangement between the PRC and the Hong Kong Special Administrative Region on the Avoidance of Double Taxation and Prevention of Fiscal Evasion with respect to Taxes on Income and Capital and receives approval from the relevant tax authority. If our Hong Kong subsidiary satisfies all the requirements under the tax arrangement, then the dividends paid to the Hong Kong subsidiary would be subject to withholding tax at the standard rate of 5% by filing necessary forms and supporting documents when performing tax filings, which will be subject to post-tax filing examinations by the relevant tax authorities. See "Item 3. Key Information—D. Risk Factors—Risks Related to Doing Business in China—We rely on dividends and other distributions on equity paid by our PRC subsidiaries to fund any cash and financing requirements we may have, and any limitation on the ability of our PRC subsidiaries to make payments to us could have a material adverse effect on our ability to conduct our business."

If our holding company in the Cayman Islands or any of our subsidiaries outside of China were deemed to be a "resident enterprise" under the PRC Enterprise Income Tax Law, it would be subject to enterprise income tax on its worldwide income at a rate of 25%. See "Item 3. Key Information—D. Risk Factors—Risks Related to Doing Business in China—If we are classified as a PRC resident enterprise for PRC income tax purposes, such classification could result in unfavorable tax consequences to us and our non-PRC shareholders or ADS holders."

Results of Operations

The following table sets forth a summary of our consolidated results of operations for the periods indicated, both in absolute amount and as a percentage of our net revenues. This information should be read together with our consolidated financial statements and related notes included elsewhere in this annual report. We only began our business operations in March 2012, and 2013 was the first year in which we generated revenues for the entire fiscal year. Due to our limited operating history and because we only completed our carve-out from CreditEase in the first quarter of 2015, period-to-period comparisons below may not be meaningful and are not indicative of our future trends. See "Item 3. Key Information—D. Risk Factors—Risks Related to Our Business—We have a limited operating history in a new and evolving market, which makes it difficult to evaluate our future prospects."

	For the Year Ended December 31,						
	2016		2017		2018[3]		
	RMB	%	RMB	%	RMB	US$	%
	(in thousands, except for percentages)						
Net revenues[1]	3,237,991	100.0	5,543,350	100.0	5,620,728	817,501	100
Operating costs and expenses:							
Sales and marketing	1,571,038	48.5	2,921,236	52.7	2,525,876	367,373	44.9
Origination and servicing	180,076	5.6	417,882	7.5	644,303	93,710	11.5
General and administrative	320,848	9.9	483,796	8.7	525,094	76,372	9.3
Provision for contingent liability	81,263	2.5	43,049	0.8	419,581	61,025	7.5
Allowance for contract assets	—	—	—	—	667,846	97,135	11.9
Total operating costs and expenses	(2,153,225)	(66.5)	(3,865,963)	(69.7)	(4,782,700)	(695,615)	(85.1)
Interest income, net	36,843	1.1	114,851	2.1	71,301	10,370	1.3
Fair value adjustments related to Consolidated ABFE[2]	(19,735)	(0.6)	(40,124)	(0.7)	246,284	35,821	4.4
Non-operating income, net	575	0.0	876	0.0	5,279	768	0.1
Income before provision for income taxes	1,102,449	34.0	1,752,990	31.7	1,160,892	168,845	20.7
Income tax benefit/(expense)	13,949	0.4	(381,207)	(6.9)	(194,287)	(28,258)	(3.5)
Net income	1,116,398	34.4	1,371,783	24.8	966,605	140,587	17.2

(1) Net revenues are broken down as follows:

	For the Year Ended December 31,						
	2016		2017		2018		
	RMB	%	RMB	%	RMB	US$	%
	(in thousands, except for percentages)						
Loan facilitation services	3,133,423	96.8	5,226,691	94.3	3,413,052	496,408	60.7
Post-origination services	84,154	2.6	187,216	3.4	290,728	42,285	5.2
Account management services	—	—	—	—	1,625,461	236,413	28.9
Others	20,414	0.6	129,443	2.3	291,487	42,395	5.2

(2) We consolidated Trust No. 1, Yiren Elite Loan Trust Beneficial Right Asset Backed Special Plan, CreditEase Wealth Consumer Credit Investment Fund, Trust No. 2, Zhong Yi Trust, Trust No. 3, Bohai Trust No. 1, Trust No. 4, Trust No. 5 and Yi Heng No. 1 Trust as a whole, which we refer to in this annual report collectively as "Consolidated Assets Backed Financing Entities" or the "Consolidated ABFE." For more information about the Consolidated ABFE, please see "—Critical Accounting Policies, Judgments and Estimates —Basis of Presentation, Combination and Consolidation."

(3) Effective January 1, 2018, we adopted the new revenue recognition standard, ASU 2014-09, "Revenue from contracts with Customers" (Topic 606), using the modified retrospective method in accordance with U.S. GAAP. Results for reporting periods beginning after January 1, 2018 are presented under Topic 606, while results for prior periods are not adjusted and continued to be reported in accordance with our historical accounting policy under Topic 605.

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

Net revenues. Our net revenues increased from RMB5,543.4 million in 2017 to RMB5,620.7 million (US$817.5 million) in 2018. Effective January 1, 2018, we adopted the new revenue recognition standard, ASU 2014-09, "Revenue from contracts with Customers" (Topic 606), using the modified retrospective method in accordance with US GAAP. Using the prior revenue recognition policy, our net revenues in 2018 was RMB 4,564.5 million (US$663.9 million), due to the decrease in the volume of loans facilitated through our marketplace, which decreased from approximately RMB41,406.1 million in 2017 to RMB38,606.3 million (US$5,615.0 million) in 2018. Both number of borrowers and loan volume facilitated through our marketplace decreased in 2018 as we implement tighter risk policy to proactively control our business growth in order to improve the asset quality of new loans facilitated through our marketplace. In addition, we have reduced our business scale and number of borrowers and investors to ensure the compliance with Circular 175.

Operating costs and expenses. Our total operating costs and expenses increased from RMB3,866.0 million in 2017 to RMB4,782.7 million (US$695.6 million) in 2018, primarily attributable to the increase in provision for contingent liability and allowance for contract assets.

- *Sales and marketing expenses*. Our sales and marketing expenses decreased from RMB2,921.2 million in 2017 to RMB2,525.9 million (US$367.4 million) in 2018. The decrease was primarily due to the decrease in the volume of loans facilitated through our marketplace and the increased marketing efficiencies. Our sales and marketing expenses as a percentage of our total revenues decreased from 52.7% to 44.9% during the same period.

- *Origination and servicing expenses*. Our origination and servicing expenses increased from RMB417.9 million in 2017 to RMB644.3 million (US$93.7 million) in 2018. Our origination and servicing expenses as a percentage of our total revenues increased from 7.5% to 11.5% during the same period, primarily attributable to our enhanced collection efforts and a decline in loan facilitation volume.

- *General and administrative expenses*. Our general and administrative expenses increased from RMB483.8 million in 2017 to RMB525.1 million (US$76.4 million) in 2018, primarily due to the increase in research and development expenses. Our general and administrative expenses as a percentage of our total revenues increased from 8.7% to 9.3% during the same period.

- *Provision for contingent liability*. We made provision for contingent liabilities of quality assurance program, which increased from RMB43.0 million in 2017 to RMB419.6 million (US$61.0 million) in 2018, primarily due to volatility of credit risk in the industry since December 2017.

- *Allowance for contract assets*. We made allowance for contract assets in 2018 due to the adoption of the new revenue recognition standard, ASU 2014-09, "Revenue from contracts with Customers" (Topic 606).

Interest income, net. Our interest income, net decreased from RMB114.9 million in 2017 to RMB71.3 million (US$10.4 million) in 2018, primarily due to an increase in interest expenses associated with our long-term borrowings, which were offset with our interest income.

Fair value adjustments related to Consolidated ABFE. Our fair value adjustments increased from a fair value loss of RMB40.1 million in 2017 to a fair value gain of RMB246.3 million (US$35.8 million) in 2018, primarily due to the direct investment in trusts.

Income tax expense. Our income tax expense decreased from RMB381.2 million in 2017 to of RMB194.3 million (US$28.3 million) in 2018, which was mainly due to the decrease of the taxable income.

Net income/(loss). As a result of the foregoing, our net income decreased from RMB1,371.8 million in 2017 to RMB966.6 million (US$140.6 million) in 2018.

Year Ended December 31, 2017 Compared to Year Ended December 31, 2016

Net revenues. Our net revenues increased from RMB3,238.0 million in 2016 to RMB5,543.4 million in 2017, primarily due to the substantial increase in the volume of loans facilitated through our marketplace, which increased from approximately RMB20,486.1 million in 2016 to RMB41,406.1 million in 2017. The increase in the volume of loans facilitated through our marketplace was driven by a substantial increase in the number of borrowers from 321,019 in 2016 to 649,154 in 2017. The increase of net revenues was also, to a less extent, attributable to the increased service fees billed to investors and increased monthly fees billed to borrowers as our remaining loan balance continued to expand.

Operating costs and expenses. Our total operating costs and expenses increased from RMB2,153.2 million in 2016 to RMB3,866.0 million in 2017, primarily attributable to the increase in sales and marketing expenses.

- *Sales and marketing expenses*. Our sales and marketing expenses increased from RMB1,571.0 million in 2016 to RMB2,921.2 million in 2017. The increase was primarily due to the increase in expenses associated with our continued user acquisition efforts. The increases in sales and marketing expenses were primarily due to an increase in expenses associated with our continued user acquisition efforts. Our sales and marketing expenses as a percentage of our total revenues increased slightly from 48.5% to 52.7% during the same period.

- *Origination and servicing expenses*. Our origination and servicing expenses increased from RMB180.1 million in 2016 to RMB417.9 million in 2017, in line with the substantial increase in the volume of loans facilitated through our marketplace. Our origination and servicing expenses as a percentage of our total revenues increased from 5.6% to 7.5% during the same period, primarily attributable to our enhanced collection efforts.

- *General and administrative expenses*. Our general and administrative expenses increased by 50.8% from RMB320.8 million in 2016 to RMB483.8 million in 2017, primarily due to the increase in salaries and benefits paid to our general and administrative personnel. Our general and administrative expenses as a percentage of our total revenues decreased from 9.9% to 8.7% during the same period, primarily due to our improved operational efficiency and leverage.

- *Provision for contingent liability*. We made provision for contingent liabilities of quality assurance program, which decreased from RMB81.3 million in 2016 to RMB43.0 million in 2017, primarily due to a fraud incident detected by us in July 2016.

Interest income. Our interest income increased from RMB36.8 million in 2016 to RMB114.9 million in 2017, primarily attributable to the increase in the purchase of available-for-sale investments and held-to-maturity investments.

Fair value adjustments related to Consolidated ABFE. Our fair value loss increased from RMB19.7 million in 2016 to RMB40.1 million in 2017, primarily due to the establishment of new trusts.

Income tax expense. Our income tax expense was RMB381.2 million in 2017, as compared to a tax credit RMB13.9 million in 2016, which was mainly because Heng Ye enjoyed an exemption of enterprise income tax for 2016 but was subject to enterprise income tax at the rate of 12.5% in 2017.

Net income/(loss). As a result of the foregoing, our net income increased from RMB1,116.4 million in 2016 to RMB1,371.8 million in 2017.

Discussion of Certain Balance Sheet Items

The following table sets forth selected information from our audited consolidated balance sheets as of December 31, 2016, 2017 and 2018.

	As of December 31,			
	2016	2017	2018	
	RMB	RMB	RMB	US$
	(in thousands)			
Assets:				
Cash and cash equivalents	968,225	1,857,175	2,028,748	295,069
Restricted cash	1,218,286	1,805,693	102,163	14,859
Contract assets, net	—	—	1,891,438	275,098
Prepaid expenses and other assets	466,763	1,068,990	729,296	106,073
Loans at fair value	371,033	791,681	1,075,097	156,366
Available-for-sale investments	1,158,000	963,253	832,465	121,077
Deferred tax assets	436,402	801,089	184,136	26,781
Total assets	4,783,388	7,518,664	7,519,026	1,093,596
Liabilities:				
Liabilities from quality assurance program and guarantee	1,471,000	2,793,948	9,950	1,447
Payable to investors at fair value	418,686	113,445	7,693	1,119
Accrued expenses and other liabilities	564,165	1,296,650	1,088,372	158,296
Deferred tax liabilities	—	11,277	502,903	73,144
Total liabilities	2,643,469	4,548,611	2,398,115	348,790
Total equity	2,139,919	2,970,053	5,120,911	744,806
Total liabilities and equity	4,783,388	7,518,664	7,519,026	1,093,596

Cash and Cash Equivalents

Our cash and cash equivalents increased by 91.8% from RMB968.2 million as of December 31, 2016 to RMB1,857.2 million as of December 31, 2017, primarily due to strong cash inflow from operating activities, and further increased by 9.2% to RMB2,028.7 million (US$295.1 million) as of December 31, 2018, primarily due to the redemption of investments.

Restricted Cash

Restricted cash included (i) cash in quality assurance program and guarantee which is managed by us through restricted bank accounts, and (ii) cash held by the Consolidated ABFE through segregated bank accounts which is not available to fund our general liquidity needs. The following table sets forth a breakdown of our restricted cash as of December 31, 2016, 2017 and 2018:

	As of December 31,			
	2016	2017	2018	
	RMB	RMB	RMB	US$
	(in thousands)			
Restricted cash:				
Quality assurance program	1,114,805	1,701,454	—	—
Consolidated ABFE	103,481	82,990	68,623	9,981
Guarantee deposit	—	21,249	33,540	4,878
Total restricted cash	1,218,286	1,805,693	102,163	14,859

Restricted cash increased by 48.2% from RMB1,218.3 million as of December 31, 2016 to RMB1,805.7 million as of December 31, 2017, primarily due to the cash we set aside in the quality assurance program, which was partially offset by net payouts from the quality assurance program upon occurrence of default.

Restricted cash decreased by 94.3% from RMB1,805.7 million as of December 31, 2017 to RMB102.2 million (US$14.9million) as of December 31, 2018, primarily due to the discontinuation of quality assurance program and thus the transfer of the guarantee liability related to the quality assurance program to a third-party guarantee company in May 2018.

Contract assets, net

We recognized contract assets in 2018 due to the adoption of the new revenue recognition standard, ASU 2014-09, "Revenue from contracts with Customers" (Topic 606). As of December 31, 2018, contract assets was RMB2,425.7 million (US$352.8 million), net of allowance of RMB534.3 million (US$77.7 million).

Prepaid Expenses and Other Assets

The following table sets forth a breakdown of our prepaid expenses and other assets as of December 31, 2016, 2017 and 2018:

	As of December 31,			
	2016	2017	2018	
	RMB	RMB	RMB	US$
	(in thousands)			
Prepaid Expenses and Other Assets:				
Funds receivable from external payment network providers	306,758	855,363	295,032	42,911
Loans to third parties	—	—	172,071	25,027
Funds receivable from insurance and guarantee companies	—	—	141,323	20,555
Prepaid VAT and surcharge tax	86,767	162,996	45,872	6,672
Tax refund receivable	47,338	—	—	—
Prepaid expense	10,540	23,447	31,612	4,598
Others	15,360	27,184	43,386	6,310
Total prepaid expenses and other assets	466,763	1,068,990	729,296	106,073

Prepaid expenses and other assets increased by 129.0% from RMB466.8 million as of December 31, 2016 to RMB1,069.0 million as of December 31, 2017, and then decreased by 31.8% to RMB729.3 million (US$106.1 million) as of December 31, 2018. The decrease was primarily due to the change in funds receivable from external payment network providers, loans to third parties and funds receivable from insurance and guarantee companies. Funds receivable from external payment network providers mainly represent accumulated amounts of transaction fees and service fees. Loans to third parties represent the remaining outstanding balance of loans to an asset management company and a third-party guarantee company. Funds receivable from insurance and guarantee companies represent deposits made to the insurance and guarantee companies' accounts associated with the credit assurance program and PICC's surety insurance program.

Loans at Fair Value

Loans at fair value represented the fair value of loans invested by the Consolidated ABFE, which increased by 113.4% from RMB371.0 million as of December 31, 2016 to RMB791.7 million as of December 31, 2017, and then increased by 35.8% to RMB1,075.1 million (US$156.4 million) as of December 31, 2018, primarily due to the establishment of new trusts.

Available-for-sale Investments

Available-for-sale investments primarily included debt securities which can be redeemed on a T+1 basis or upon maturity.

Deferred Tax Assets

Deferred tax assets increased by 83.6% from RMB436.4 million as of December 31, 2016 to RMB801.1 million as of December 31, 2017, primarily due to the increase in liabilities from quality assurance program and guarantee.

Deferred tax assets decreased RMB801.1 million as of December 31, 2017 to RMB184.1 million (US$26.8 million) as of December 31, 2018, primarily due to the discontinuation of quality assurance program and thus the transfer of the guarantee liability related to the quality assurance program to a third-party guarantee company in May 2018. As a result, guarantee liability was derecognized and the deferred tax assets associated with the guarantee liability was reversed accordingly.

Liabilities from Quality Assurance Program and Guarantee

Liabilities from quality assurance program and guarantee increased by 89.9% from RMB1,471.0 million as of December 31, 2016 to RMB2,793.9 million as of December 31, 2017, primarily due to the significant increase in the volume of loans facilitated through our marketplace.

Liabilities from quality assurance program and guarantee decreased by 99.6% from RMB2,793.9 million as of December 31, 2017 to RMB10.0 million (US$1.4 million) as of December 31, 2018, primarily due to the discontinuation of quality assurance program and thus the transfer of the guarantee liability related to the quality assurance program to a third-party guarantee company in May 2018.

Payable to Investors at Fair Value

Payable to investors at fair value represented the amount payable by the Consolidated ABFE to its investors, which decreased by 72.9% from RMB418.7 million as of December 31, 2016 to RMB113.4 million as of December 31, 2017, and further decreased to RMB7.7 million (US$1.1 million) as of December 31, 2018, primarily due to our direct investment in trusts, which were eliminated on our consolidated financial statements.

Accrued Expenses and Other Liabilities

The following table sets forth a breakdown of our accrued expenses and other liabilities as of December 31, 2016, 2017 and 2018:

	As of December 31,			
	2016	2017	2018	
	RMB	RMB	RMB	US$
	(in thousands)			
Accrued Expenses and Other Liabilities:				
Accrued payroll and welfare	35,470	56,730	52,130	7,582
Tax payable	406,698	785,217	213,282	31,021
Accrued customer incentives	54,731	197,816	205,072	29,826
Accrued advertisement expense	55,463	169,827	130,203	18,937
Payable to investor of beneficiary rights under repurchase agreement	—	50,000	22,624	3,290
Long-term borrowings	—	—	192,419	27,986
Funds collected on behalf of third-party guarantee companies	—	—	231,467	33,665
Others	11,803	37,060	41,175	5,989
Total accrued expenses and other liabilities	564,165	1,296,650	1,088,372	158,296

Accrued expenses and other liabilities increased by 129.8% from RMB564.2 million as of December 31, 2016 to RMB1,296.7 million as of December 31, 2017, and then decreased to RMB1,088.4 million (US$158.3 million) as of December 31, 2018, primarily due to the change in tax payable as a result of the accumulated effect of deferred tax assets related to liabilities from quality assurance program and guarantee.

Deferred Tax Liabilities

Deferred tax liabilities increased from RMB11.3 million as of December 31, 2017 to RMB502.9 million (US$73.1 million) as of December 31, 2018, primarily due to the increase in contract assets and contract cost.

Critical Accounting Policies, Judgments and Estimates

An accounting policy is considered critical if it requires an accounting estimate to be made based on assumptions about matters that are highly uncertain at the time such estimate is made, and if different accounting estimates that reasonably could have been used, or changes in the accounting estimates that are reasonably likely to occur periodically, could materially impact the consolidated financial statements.

We prepare our financial statements in conformity with U.S. GAAP, which requires us to make judgments, estimates and assumptions. We continually evaluate these estimates and assumptions based on the most recently available information, our own historical experiences and various other assumptions that we believe to be reasonable under the circumstances. Since the use of estimates is an integral component of the financial reporting process, actual results could differ from our expectations as a result of changes in our estimates. Some of our accounting policies require a higher degree of judgment than others in their application and require us to make significant accounting estimates.

The following descriptions of critical accounting policies, judgments and estimates should be read in conjunction with our consolidated financial statements and other disclosures included in this annual report. When reviewing our financial statements, you should consider (i) our selection of critical accounting policies, (ii) the judgments and other uncertainties affecting the application of such policies and (iii) the sensitivity of reported results to changes in conditions and assumptions.

Basis of Presentation, Combination and Consolidation

Yirendai Ltd. was founded by our parent company, CreditEase, in September 2014. Prior to the establishment of Yirendai Ltd., our online consumer finance marketplace business was carried out by various subsidiaries and variable interest entities of CreditEase as a business unit under CreditEase. We completed our carve-out from CreditEase in the first quarter of 2015, and all of our online consumer finance marketplace business is now carried out by our own subsidiaries and consolidated variable interest entities.

Our consolidated financial statements include the assets, liabilities, revenues, expenses and cash flows that were directly attributable to our business for all periods presented. Since we and the subsidiaries and variable interest entities of CreditEase that operated our online marketplace business are under common control of CreditEase, the assets and liabilities have been stated at historical carrying amounts. In addition, our consolidated financial statements have been prepared as if the current corporate structure had been in existence throughout the periods presented.

Only those assets and liabilities that were specifically identifiable to our business were included in our consolidated balance sheets. For liabilities related to us for which CreditEase advanced the funding, such amounts were recorded as amounts due to CreditEase. Our consolidated statements of operations consist of all costs and expenses related to us, including costs and expenses related to us that were allocated from CreditEase. Allocations from CreditEase, including amounts allocated to sales and marketing expenses, origination and servicing expenses, and general and administrative expenses, were made using a proportional cost allocation method and based on headcount or transaction volume for the provision of services attributable to us. Income tax liability was calculated as if we had filed separate tax returns for all the periods presented.

We conduct our online consumer finance marketplace business in China through our PRC subsidiaries, Heng Ye and Heng Yu Da, and our consolidated variable interest entities, Heng Cheng and Yi Ren Wealth Management. Due to PRC legal restrictions on foreign ownership and investment in value-added telecommunications services, and internet content provision services in particular, we conduct our online operations in China through a series of contractual arrangements entered into between Heng Ye and Heng Cheng and its shareholders and a series of contractual arrangements entered into between Heng Yu Da, Yi Ren Wealth Management and its shareholders. Heng Cheng operates our website www.yirendai.com. Yi Ren Wealth Management operates our wealth management mobile application, which serves as an online portal for investment products, including the loan products offered by us as well as other investment products offered by third party providers. Most of our revenues, costs and expenses directly related to loan facilitation and servicing in China are generated through Heng Cheng and Yi Ren Wealth Management. As a result of the contractual arrangements, we have the ability to direct the activities of Heng Cheng and Yi Ren Wealth Management that most significantly impact their economic performance, and to obtain a majority of the residual returns of Heng Cheng and Yi Ren Wealth Management. We are considered the primary beneficiary of Heng Cheng and Yi Ren Wealth Management, and accordingly the entities are our variable interest entities under U.S. GAAP and we consolidate their results in our consolidated financial statements. Any changes in PRC laws and regulations that affect our ability to control Heng Cheng and Yi Ren Wealth Management might preclude us from consolidating the entities in the future.

As part of our strategy to expand our investor base from individual investors to institutional investors, we established a business relationship with certain trusts or ABS plan which were administered by third-party trust companies. The trusts were set up to invest solely in the loans facilitated by us on our platform to provide returns to the beneficiaries of the trusts through interest payments made by the borrowers.

We provide loan facilitation and post-origination services to the trusts. We also have power to direct the activities that have most significant impact on the economic performance of the ABFE by providing the loan servicing and default loan collection services of the trusts.

Through the transaction fees charged, guarantee deposit, and direct investment, We have the right to receive benefits or bear losses from the ABFE that could potentially be significant to the ABFE. We provide certain level of guarantee in the form of a security fund in the amount of 6% of the total loan principal to the Trust No.1 to protect the trust beneficiaries. The guarantee provided is considered variable consideration held by us. We hold significant variable interest in Trust No. 1 through the transaction fee charged and guarantee provided in the form of security deposit, and hold significant variable interest in Trust No. 2 through the transaction fee charged. We also hold significant variable interest in other ABFE through direct investment.

Accordingly, we are considered the primary beneficiary of the ABFE and has consolidated the ABFE's assets, liabilities, results of operations, and cash flows in the accompanying consolidated financial statements.

The assets of the ABFE are not available to our creditors. In addition, the investors of the ABFE have no recourse against our assets.

Our consolidated financial statements may not be reflective of our results of operations, financial position and cash flows had we been operating as a stand-alone company during those periods prior to the completion of our carve-out in the first quarter of 2015. Our historical results for any period presented are not necessarily indicative of the results to be expected for any future period. Although we believe that the assumptions underlying our consolidated financial statements and the allocations made to us are reasonable, our basis of presentation and allocation methodologies required significant assumptions, estimates and judgments. Using a different set of assumptions, estimates and judgments would have materially impacted our financial position and results of operations.

Revenue Recognition

We provide services as an online marketplace connecting borrowers and investors. The four major deliverables provided are loan facilitation services, quality assurance program for periods prior to May 2018, post-origination services (e.g. cash processing, collection and SMS services) and account management services (automated investing tool).

We have determined that we are not the legal lender or borrower in the loan origination and repayment process, but acting as an intermediary to bring the lender and the borrower together. Therefore, we do not record the loans receivable or payable arising from the loans facilitated between the investors and borrowers on our platform.

We charge fees for facilitating loan originations, for the automated investing tool to investors opting for that service, and for monthly service (covering cash processing services, collection services and SMS services), while for those who do not opt for automated investing tool, we charge fees for facilitating loan originations and for monthly service (covering cash processing services, collection services and SMS services) (collectively as "non-contingent fees"). We also receive fees contingent on future events (e.g., penalty fee for loan prepayment and late payment, fee for transferring loans over the secondary loan market, and other service fees, etc.).

In order to be more competitive by providing a certain level of assurance to the investors, we historically reimburse the loan principal and interest to the investor in case of borrower's default and then collect the amounts either from borrowers through our collection team or a guarantee company.

After August 2013, we introduced a guarantee arrangement with a guarantee company, under which the guarantee company provided guarantee service to the investors ("guarantee model"). The guarantee company charged the investors at a rate of 10% based on monthly interest on loans as servicing fee, which was collected by us on behalf of the guarantee company and not recorded as our revenue.

Starting from January 1, 2015, we launched an investor protection service in the form of a financial guarantee called the quality assurance program. If a loan originated on or after January 1, 2015 defaults, we guarantee the principal and accrued interest repayment of the defaulted loan up to the balance of the quality assurance program on a portfolio basis. The quality assurance program being set aside equals to a fixed percentage of the total loan facilitation amount. We reserve the right to revise the percentage upwards or downwards as a result of our continuing evaluation of factors such as market dynamics as well as our product lines, profitability and cash position.

In October 2016, we launched a new program named "Top-up Program" to facilitate a new loan for an existing qualified borrower with the termination of his prior loan. When a new loan contract is signed under "Top-up Program", the previous loan contract is extinguished immediately. Top-up Program is a service provided to qualified borrowers to enhance customer experience and serve their lifelong credit needs. The fee structure of loans facilitated under the Top-up program is the same as other loan products except that we offer a credit of upfront fee of the existing loan to encourage the generation of the new loan. The new loan contract qualifies as a contract modification under ASC 606-10-25-10, and which was accounted as a prospective separate contract as it meets the requirements of ASC 606-10-25-12.

From August 2017 to December 2017, we cooperated with Zhejiang Chouzhou Commercial Bank ("Chouzhou Bank") to furnish the borrower referral and facilitation services to Chouzhou Bank. We provided guarantee deposits to Chouzhou Bank to protect it from potential losses due to loan delinquency and undertook to timely replenish such deposit from time to time. We also undertake to repay Chouzhou Bank on behalf of defaulting borrowers if any repayment is 80 days overdue and upon such full repayment to Chouzhou Bank, we will obtain the creditor's rights in respect of the relevant default amount.

To ensure compliance with regulatory requirements, starting from January 2018, we entered into a three-year business agreement with PICC Property and Casualty Company Limited ("PICC"). Pursuant to the business agreement, PICC provides surety insurance for loans newly facilitated through our online marketplace with 12-month term and with an amount not exceeding RMB200,000 (approximately US$29,089).Under the arrangement, borrowers purchase surety insurance and pay insurance premium to the insurance company directly. The insurance company will reimburse the principal and expected interest to investors in the event of borrowers' default within the agreed insurance policy. Since March 2018, we began to cooperate with guarantee companies to establish a credit assurance program. Under the credit assurance program, the guarantee companies either i) provide guarantee for loans facilitated through our online marketplace for the assurance that investors' principal and interest would be repaid in the event of loan defaults, and can further obtain guarantee by purchasing credit insurance from PICC; or ii) set up and manage a reserve fund, using payments collected from borrowers directly, to compensate investors for their potential loss due to loan default up to the cash available in the fund. Subsequently in May 2018, we discontinued the operation of quality assurance program by transferring all liabilities associated with the quality assurance program to a third-party guarantee company at an estimated fair value. We no longer bears any guarantee obligations and therefore does not record any guarantee liability on its consolidated financial statement. Since then, loans facilitated on our platform are either covered by the credit assurance program operated by the guarantee companies or PICC's surety insurance program.

Revenue recognition before adoption of ASU 2014-09, "Revenue from contracts with Customers (Topic 606)"

Multiple element revenue recognition

We consider the loan facilitation services, the quality assurance program and post-origination services as a multiple deliverable revenue arrangement. We have concluded that although it does not sell those services independently, all three deliverables have standalone value as others do sell them independently in the market and they have value to the customer independently. Thus, all non-contingent fees are allocated among these three deliverables. Under the guarantee model, the total fees are allocated based upon the relative selling price of the loan facilitation services and post origination services.

We allocate non-contingent fees to be received consistent with the guidance in ASC 605-25. It first allocates the amount equal to the fair value of the stand-ready liability from the quality assurance program. Then the remaining fees are allocated to the loan facilitation services and post-origination services using their relative estimated selling prices.

We did not recognize revenue for the quality assurance program, as we considered that netting the changes in the guarantee with the revenue was more representative of our obligation. No separate guarantee revenue or guarantee provision expense had been recognized in the Consolidated Statement of Operations.

We do not have vendor specific objective evidence ("VSOE") of selling price for the loan facilitation services or post-origination services because we do not provide loan facilitation services or post-origination services separately.

For cash processing services, collection services and SMS services (all of which are part of the post-origination services), we use third-party evidence ("TPE", which is the prices charged when sold separately by our service providers) as the basis of revenue allocation.

Although other vendors may sell these services separately, TPE of selling price of the loan facilitation services and automated investing tool services (part of post-origination services) does not exist as public information is not available regarding what our competitors may charge for those services. As a result, we generally use our best estimate of selling prices ("BESP") of loan facilitation services and automated investing tool services as the basis of revenue allocation. In estimating our selling price for the loan facilitation services and automated investing tools services, we consider the cost incurred to deliver such services, profit margin for similar arrangements, customer demand, effect of competitors on our services, and other market factors.

For each type of service, we recognize revenues when the following four revenue recognition criteria are met for each revenue type: (i) persuasive evidence of an arrangement exists, (ii) delivery has occurred or services have been rendered, (iii) the selling price is fixed or determinable, and (iv) collectability is reasonably assured.

Collectability of fees

We either collect the entire amount of the loan facilitation fee upfront, or collect a portion upfront and the rest on a monthly basis over the term of the loan. The management fee charged to self-directed investors and the automated investing tool investors are collected on a monthly basis through the loan period. All the transaction fees charged before December 31, 2014 were guaranteed by Tian Da Xin An (Beijing) Guarantee Co., Ltd. ("Tian Da Xin An"), a guarantee company.

Starting from January 2015, the collection of transaction fee is no longer guaranteed by Tian Da Xin An. We evaluated the following factors for uncertainty of the collectability: (i) credit risk of the portfolio; (ii) prepayment risk; (iii) risk profile change from launching new products and (iv) macroeconomic cycle, etc. and concluded that the collectability could not be reasonably assured. Thus fees charged on a monthly basis are not recognized until collectability could be reasonably assured.

Revenue from loan facilitation services

Prior to the end of 2014, the aforementioned four criteria for revenue recognition were met upon completion of the loan facilitation services. We recognized 100% of the transaction fee as revenue and recorded no allowance for the uncollectible accounts, as all the transaction fees in relation to loans facilitated before December 31, 2014 were guaranteed by Tian Da Xin An. Starting from first quarter of 2015, we recognizes the cash received that is allocated to loan facilitation services as revenue upon completion of the related service. Cash received as upfront fees is allocated first to the quality assurance program and then to loan facilitation services and post-origination services based on their relative selling prices. For fees that are partially refundable to the borrowers, the revenue is not recognized until the fees become non-refundable.

Revenue from post-origination services

The fees collected upfront allocated to post-origination services are deferred and recognized over the period of the loan on a straight line basis.

Other revenue

Other revenue includes penalty fee for loan prepayment (for loans originated before December 31, 2014) and late payment, one-time fees for transferring loans over the secondary loan market, and commission fee received from other Fintech companies. The penalty fee, which are fees paid to the investors that are assigned to us by the investors, will be received as a certain percentage of past due amounts in case of late payment or a certain percentage of interest over the prepaid amount of loan principal in case of prepayment. We refer potential borrowers to other Fintech companies and charges them commission fee. Commission fee revenue is recognized when successful referral was completed by us.

Customer incentives

To expand our market presence, we provide cash incentives to investors from time to time. Each individual incentive program only lasts for a week or a few weeks. During the relevant incentive program period, we set certain thresholds for the investor to qualify to enjoy the cash incentive. When qualified investment is made, the cash payment is provided to the investor as a percentage of the investment amount. We also distributed interest plus coupons and renewal reward coupons to investors free of charge. The investors can utilize the interest plus coupons to increase the expected return of Yidingying product on the maturity date. If the investors choose to extend the investment period of the Yidingying product, the renewal reward coupons can be utilized to increase the expected return of Yidingying product for the extended investment period. The cash incentives, interest plus coupons and renewal reward coupons provided are accounted for as reduction of revenue in accordance with ASC subtopic 605-50.

We have established a membership reward program wherein investors can earn Yiren coins when purchase made on our platforms reached a certain amount. Yiren coins can be used in connection with subsequent purchases. The expiry dates of these Yiren coins vary based on different individual promotional programs, which are generally ranged from one and a half years to two and a half years period. We accrue liabilities for the estimated value of the Yiren coins that are expected to be used, which are based on all outstanding Yiren coins related to prior purchases at the end of each reporting period, as it does not currently have sufficient historical data to reasonably estimate the usage rate of these Yiren coins. These liabilities reflect management's best estimate of the cost of future usages.

Revenue recognition after adoption of ASU 2014-09, "Revenue from contracts with Customers (Topic 606)" with modified retrospective method

We adopted ASU 2014-09, Revenue from Contracts with Customers (Topic 606) and all subsequent ASUs that modified Topic 606 on January 1, 2018 using the modified retrospective method. We recognized the cumulative effect of applying the new revenue standard as an adjustment to the beginning balance of retained earnings. The comparative information is not restated and continues to be reported under the accounting standards in effect for the period presented.

Under Topic 606, the core principle of the guidance is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. To achieve that core principle, we apply the following steps:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognize revenue when (or as) the entity satisfies a performance obligation

We determine our customers to be both the investors and borrowers. We assess ability and intention to pay the service fees of both borrowers and investors when they become due and determines if the collection of the service fees is probable, based on historical experiences as well as the credit due diligence performed on each borrower prior to loan origination. We consider the loan facilitation services, quality assurance program for periods prior to May 2018, and post-origination services as three separate services of which the quality assurance program is accounted for in accordance with ASC Topic 460, Guarantees. While the post-origination service is within the scope of ASC Topic 860, the ASC Topic 606 revenue recognition model is applied due to the lack of definitive guidance in ASC Topic 860. The loan facilitation service and post-origination service are two separate performance obligations under ASC 606, as these two deliverables are distinct in that customers can benefit from each service on its own and our promises to deliver the services are separately identifiable from each other in the contract.

We determine the transaction price of loan facilitation service and post-origination service to be the service fees chargeable from the borrowers, net of value-added tax. The transaction price includes variable consideration in the form of prepayment risk of the borrowers. We reflect, in the transaction price, the borrower prepayment risk and estimates variable consideration for these contracts using the expected value approach on the basis of historical information and current trends of the prepayment percentage of the borrowers. The transaction price is allocated amongst the guarantee service, if any, and two performance obligations.

We first allocate the transaction price to the guarantee liabilities, if any, in accordance with ASC Topic 460, Guarantees which requires the guarantee to be measured initially at fair value based on the stand ready obligation. Then the remaining considerations are allocated to the loan facilitation services and post origination services using their relative standalone selling prices consistent with the guidance in Topic 606. We do not have observable standalone selling price information for the loan facilitation services or post origination services because we do not provide loan facilitation services or post origination services on a standalone basis. There is no direct observable standalone selling price for similar services in the market that is reasonably available to us. As a result, the estimation of standalone selling price involves significant judgments. We use expected cost plus margin approach to estimate the standalone selling prices of loan facilitation services as the basis of revenue allocation. In estimating our standalone selling price for the loan facilitation services, we consider the cost incurred to deliver such services, profit margin for similar arrangements, customer demand, effect of competitors on our services, and other market factors. However, for post origination services, given the main service is about loan collecting, we can refer to other companies performing the same services, therefore a direct observable standalone selling price for similar services in the market is available to us.

For each type of service, we recognize revenue when (or as) the entity satisfies the service/performance obligation by transferring a promised good or service (that is, an asset) to a customer. Revenues from loan facilitation are recognized at the time a loan is originated between the investor and the borrower and the loan principal is transferred to the borrower, at which time the facilitation service is considered completed. Revenues from post-origination services are recognized on a straight-line basis over the term of the underlying loans as the services are provided. Revenues from guarantee services, if any, are recognized at the expiry of the guarantee term.

Remaining performance obligations represents the amount of the transaction price for which service has not been performed under post-origination services. We charges upfront fees for loan products. The upfront fee, if any, is deducted from loan proceeds at origination and the remaining consideration is collected in equal payments on a monthly basis. When the upfront fee is not sufficient to cover the relative standalone selling price of facilitation services performed, a corresponding or contract asset is recognized (see accounting policy for contract balances). For upfront fees that are partially refundable to the borrowers, we estimated the refund based on historical prepayment probability and the corresponding predetermined refundable amount, and recorded a corresponding refund liabilities upon receiving such fees.

The aggregate amount of the transaction price allocated to performance obligations that are unsatisfied pertaining to post-origination service were RMB685.9 million (US$99.8 million) as of December 31, 2018, among which approximately 53% of the remaining performance obligations will be recognized over the following 12 months, respectively, with the remainder recognized thereafter.

Account management services revenue

Under ASC 606, the transaction price of account management service is the management fee charged to investor monthly as the excess of actual return over the expected return. The service fees derived from investors using the automated investment tool are initially estimated based on historical experience of returns on similar investment products and current trends. The service fees are recognized on a straight-line basis over the term of the investment period. The service fees related to the automated investment tool are due at the end of the investment period. The investment period refers to the period of time when the investments are matched with loans and are generating returns for the investors. We record service fees only when it becomes probable that a significant reversal in the amount of cumulative revenue will not occur. The revenue of service fee recognized under ASC 606 for the year ended December 31, 2018 was RMB1,625.5 million (US$236.4 million). The aggregate amount of the transaction price allocated to performance obligations that are unsatisfied pertaining to account management services were RMB850.4 million (US$123.7 million) as of December 31, 2018, among which approximately 91% of the remaining performance obligations will be recognized over the following 12 months, respectively, with the remainder recognized thereafter.

Customer incentives

The cash incentives, interest plus coupons and renewal reward coupons provided are accounted for as reduction of contract price in accordance with ASC 606.

Under the membership reward program, investors earn Yiren coin that can be redeemed in subsequent purchase. Yiren coin earned by investors represent a material right to free or discounted goods or services in the future, which is accounted for as a separate performance obligation under ASC 606. For transactions that granted Yiren coins to the investors, a portion of transaction price is deferred for the obligation related to our Yiren coins, which is the estimated value of the Yiren coins that are expected to be used incorporating estimated breakage based on historical redemption patterns. The revenue associated with Yiren coins is deferred until the points are redeemed. As of December 31, 2018, the liabilities related to Yiren coins was immaterial.

Contract assets

Under ASC 606, contract assets represent our right to consideration in exchange for services that we have transferred to the customer before payment is due. Our right to consideration for the monthly fees of facilitation service is conditional on the borrowers' actual payment, as the borrower had the right to early terminate the loan contract prior to the loan maturity and are not obligated to pay the remaining monthly fees. As such, We record a corresponding contract asset for the monthly service fees allocated to loan facilitation service and post-origination service that have already been delivered in relation to loans facilitated on our platform when recognizing revenue from loan facilitation service and post-origination service. No accounts receivable is recorded since we do not have unconditional right to the consideration if the borrowers choose to early terminate and are not obligated to pay the remaining service fees in relation to the loans facilitated. Contract assets represent our right to consideration in exchange for facilitation services that we have transferred to the customer before payment is due. We only recognize contract assets to the extent that we believe it is probable that they will collect substantially all of the consideration to which it will be entitled in exchange for the services transferred to the customer. The contract assets will not be reclassified to a receivable given that the right to invoice and the payment due date is the same date. The contract assets net of allowance as of December 31, 2018 is RMB1,891.4 million (US$275.1 million).

Per ASC 606-10-45-3, an entity shall assess a contract asset for impairment in accordance with Topic 310 on receivables. Contract assets is stated at the historical carrying amount net of write offs and allowance for uncollectible accounts. In determining whether an impairment loss should be recorded in the financial statements, We make judgements as to whether there is any observable date indicating that there is a measureable decrease in the estimated future cash flows from contract assets. This evidence may include observable date indicating that there has been an adverse change in the borrower's credit risk, or national or local economic conditions that correlate with defaults on loans. When contract assets are assessed for impairment, the entity uses estimates based on historical borrower's credit risk. The historical borrower's credit risk is adjusted on the basis of the relevant observable date that reflects current economic conditions. We review regularly the methodology and assumptions used for estimating the amount of collectable contract assets.

Contract assets is identified as uncollectible if any repayment of the underlying loan is 90 days past due, and no other factor evidences the possibility of collecting the delinquent amounts. We will write off contract assets and corresponding allowance if any repayment of the underlying loan is 90 days past due.

Contract cost

We pay commissions for successful referring of borrowers or investors to our platform. The commissions paid based on successful referrals are considered as contract acquisition cost, and are capitalized when the commission becomes payable. The amount of amortization in the year ended December 31, 2018 is RMB91.4 million (US$13.3 million). The acquisition cost of certain contracts are expensed when incurred as their amortization period is one year or less.

Deferred revenue

Deferred revenue consists of post origination service fees received from borrowers upfront for which services have not yet been provided. Deferred revenue are recognized ratably as revenue when the post origination services are delivered during the loan period.

Refund liability

A refund liability is recognized for the estimated amounts of service fees which was received but is expected to be refunded. They represent the amount of consideration received that the entity does not expect to be entitled to earn and thus is not included in the transaction price because it will be refunded to customers. The refund liability is remeasured at each reporting date to reflect changes in the estimate, with a corresponding adjustment to revenue.

Our refund liability is the expected refund of service fees to borrowers in the case of early repayment of loans. The refund liability as of December 31, 2018 is RMB252.4 million (US$36.7 million).

Liabilities from Quality Assurance Program and Guarantee

Prior to May 2018, we operated a quality assurance program for investor protection purposes. See "Item 4. Information on the Company—B. Business Overview—Risk Management—Investor Protection." Under the quality assurance program model, at the inception of each loan, we recognize a stand-ready liability as the fair value of the quality assurance program in accordance with ASC 460.

Subsequent to the inception of the loan, the stand-ready liability initially recognized would typically be reduced (by a credit to earnings) as we are released from risk under the guarantee either through expiry or performance. We also recognize contingent liability under ASC 450 on a portfolio basis, which results in the recognition of expenses in earnings. We track our stand-ready liability on a loan-by-loan basis to monitor the expiration. When we release the stand-ready liability through performance of the guarantee (by making payments on defaulted loans), it recognizes revenue along with the loss on defaulted loans. Revenue from releasing of stand-ready liability and expenses from recognition of contingent liability related to the quality assurance program are presented on a net basis in the income statement. On a portfolio basis, when the aggregate contingent liability required to be recognized under ASC 450 exceeds the quality assurance program liability balance, we will record the excess as expense.

The fair value of the stand-ready liability associated with the quality assurance program recorded at the inception of the loan was estimated using a discounted cash flow model to our expected net payouts from the quality assurance program, and also by incorporating a markup margin. We estimate our expected future net payouts based on our current product mix as well as our estimates of expected net charge-off rates and expected collection rates and a discount rate. The expected future cash net payout is capped at the restricted cash balance of the quality assurance program. In the fourth quarter of 2015, in order to continue to attract new and retain existing investors and to remain consistent with the current industry practice in China, we set aside more cash in the quality assurance program based on our current business intention but not legal obligation, so that the balance in the quality assurance program is enough to cover the expected net payouts.

We estimated the expected net charge-off rates of the loan facilitated as the weighted average of the expected net charge-off rates of loan with different risk grids. We developed the expected net charge-off rates based on our historical experience. In the second quarter of 2017, we launched our new credit scoring system and upgraded our original four risk grids system of Grade A, B, C and D to a five risk grids system of Grade I, Grade II, Grade III, Grade IV and Grade V.

To ensure compliance with regulatory requirements, starting from January 2018, we entered into a three-year business agreement with PICC. Pursuant to the business agreement, PICC provides surety insurance for loans newly facilitated through our online marketplace with 12-month term and with an amount not exceeding RMB200,000 (approximately US$29,089).Under the arrangement, borrowers purchase surety insurance and pay insurance premium to the insurance company directly. The insurance company will reimburse the principal and expected interest to investors in the event of borrowers' default within the agreed insurance policy. Since March 2018, we began to cooperate with guarantee companies to establish a credit assurance program. Under the credit assurance program, the guarantee companies either i) provide guarantee for loans facilitated through our online marketplace for the assurance that investors' principal and interest would be repaid in the event of loan defaults, and can further obtain guarantee by purchasing credit insurance from PICC; or ii) set up and manage a reserve fund, using payments collected from borrowers directly, to compensate investors for their potential loss due to loan default up to the cash available in the fund. Subsequently in May 2018, we discontinued the operation of quality assurance program by transferring all liabilities associated with the quality assurance program to a third-party guarantee company at an estimated fair value. We no longer bear any guarantee obligations and therefore do not record any guarantee liability on its consolidated financial statement. Since then, loans facilitated on our platform are either covered by the credit assurance program operated by the guarantee companies or PICC's surety insurance program.

We cooperated with Chouzhou Bank from August 2017 to December 2017. We provided guarantee deposits to the bank to protect it from potential losses due to loan delinquency and undertook to timely replenish such deposit from time to time. We also undertake to repay the bank on behalf of defaulting borrowers if any repayment is 80 days overdue and upon the full repayment, we will obtain the creditor's rights in respect of relevant default amount. Under such agreement, the total outstanding loan balance and accrued interests which we would be required to make were RMB206.8 million and RMB120.5 million (US$17.5 million) as of December 31, 2017 and 2018, respectively.

Fair Value of Loans and Payable to Investors at Fair Value

We have elected fair value accounting for loans and related payable to investors. Changes in the fair value of loans for the period are recorded as fair value adjustments. We estimate the fair value of loans using a discounted cash flow valuation methodology. The fair valuation methodology considers projected prepayments and net charge off to project future losses and net cash flows on loans.

We have adopted the measurement alternative included in ASU 2014-13 - the collateralized financing entity ("CFE") guidance, pursuant to which, we measure both the financial assets and financial liabilities of the Consolidated ABFE in our consolidated financial statements using the more observable of the fair value of the financial assets and the fair value of the financial liabilities. We believe the fair value of the financial assets of the Consolidated ABFE is more observable than the fair value of the financial liability of the Consolidated ABFE. As a result, the loans of the Consolidated ABFE are measured at fair value and the payable to investors is measured in consolidation as: (i) the sum of the fair value of the loans and the carrying value of any non-financial assets that are incidental to the operations of the Consolidated ABFE less (ii) the sum of the fair value of loan default loss borne by us through the security deposit. The resulting amount is allocated to the individual financial liabilities (other than our beneficial interest) using a reasonable and consistent methodology. Since we hold significant variable interest in the ABFE, the variable interest retained by us, or the payable to investors of the ABFE, are eliminated on the consolidated financial statements. Under the measurement alternative, our consolidated net income reflects our own economic interests in the Consolidated ABFE including changes in the fair value of our beneficial interests.

As our loans and related payable to investors are not traded in an active market with readily observable prices, we use significant unobservable inputs to measure the fair value of these assets and liabilities. Financial instruments are categorized in the Level 3 valuation hierarchy based on the significance of unobservable factors in the overall fair value measurement.

As of December 31, 2016, 2017 and 2018, the significant unobservable inputs used in the fair value measurement of the loans of the Consolidated ABFE include the discount rate applied in the valuation models, default and recovery rates applied in the valuation models, and early prepayment rates. These inputs in isolation can cause significant increases or decreases in fair value. Specifically, when a discounted cash flow model is used to determine fair value, the significant input used in the valuation model is the discount rate applied to present value the projected cash flows. Increases in the discount rate can significantly lower the fair value of loans and decreases in the discount rate can significantly increase the fair value of loans. The discount rate is determined based on the market rates.

Significant Unobservable Inputs

Financial Instrument	Unobservable Input	December 31, 2016 Range of Inputs Weighted-Average	December 31, 2017 Range of Inputs Weighted-Average	December 31, 2018 Range of Inputs Weighted-Average
Loans and payable to investors	Discount rates	12.0%	12.0%	12.0%-16.4%
	Net cumulative expected loss rates[1]	7.6% - 7.9%	9.9%-11.1%	9.9%-17.4%
	Cumulative prepayment rates[2]	13.2%	13.6%	14.8%

(1) Expressed as a percentage of the loan volume.

(2) Expressed as a percentage of the remaining principal of loans.

Income Taxes

Current income taxes are provided for in accordance with the laws of the relevant tax authorities.

Deferred income taxes are provided using assets and liabilities method, which requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of events that have been included in the financial statements. Under this method, deferred tax assets and liabilities are determined on the basis of the differences between financial statements and tax basis of assets and liabilities using enacted tax rates in effect for the year in which the differences are expected to reverse. Deferred tax assets are recognized to the extent that these assets are more likely than not to be realized. In making such a determination, the management consider all positive and negative evidence, including future reversals of projected future taxable income and results of recent operation.

The impact of an uncertain income tax position on the income tax return is recognized at the largest amount that is more likely than not to be sustained upon audit by the relevant tax authority. An uncertain income tax position will not be recognized if it has less than a 50% likelihood of being sustained. Interest and penalties on income taxes will be classified as a component of the provisions for income taxes. We did not recognize any income tax due to uncertain tax position or incur any interest and penalties related to potential underpaid income tax expenses for the years ended December 31, 2016, 2017 and 2018, respectively.

Recent Accounting Pronouncements

The recent accounting pronouncements that are relevant to us are included in note 2 to our audited consolidated financial statements, which are included in this annual report.

Inflation

Since our inception, inflation in China has not materially affected our results of operations. According to the National Bureau of Statistics of China, the year-over-year percent changes in the consumer price index for December 2016, 2017 and 2018 were increases of 2.1%, 1.8% and 1.9%, respectively. Although we have not been materially affected by inflation in the past, we may be affected if China experiences higher rates of inflation in the future.

B. Liquidity and Capital Resources

Cash Flows and Working Capital

Our principal sources of liquidity have been cash generated from operating activities, proceeds from the issuance and sale of our shares, and proceeds from loans borrowed from third parties. In December 2015, we completed our initial public offering in which we issued and sold an aggregate of 7,500,000 ADSs, representing 15,000,000 ordinary shares, resulting in net proceeds to us of approximately US$64.9 million. Concurrently with our initial public offering, we sold 2,000,000 ordinary shares to Baidu Hong Kong in a private placement, resulting in net proceeds to us of approximately US$9.0 million. As of December 31, 2018, we had cash and cash equivalents of approximately RMB2,028.7 million (US$295.1 million), as compared to cash and cash equivalents of approximately RMB1,857.2 million as of December 31, 2017.

As of December 31, 2018, we had restricted cash of approximately RMB102.2 million (US$14.9 million), as compared to RMB1,805.7 million as of December 31, 2017. The decrease in restricted cash was mainly due to the discontinuation of the quality assurance program, which held the cash we set aside for investor protection purposes. As of December 31, 2018, the restricted cash represented the cash held by the Consolidated ABFE and the cash set aside for guarantee deposit.

Unlike financial institutions, we are not subject to any capital adequacy requirement that is applicable to financial institutions in China. We believe that our cash on hand and anticipated cash flows from operating activities will be sufficient to meet our anticipated working capital requirements and capital expenditures in the ordinary course of business for the next 12 months. We may, however, need additional cash resources in the future if we experience changes in business conditions or other developments, or if we find and wish to pursue opportunities for investment, acquisition, capital expenditure or similar actions. If we determine that our cash requirements exceed the amount of cash and cash equivalents we have on hand at the time, we may seek to issue equity or debt securities or obtain credit facilities. The issuance and sale of additional equity would result in further dilution to our shareholders. The incurrence of indebtedness would result in increased fixed obligations and could result in operating covenants that would restrict our operations. We cannot assure you that financing will be available in amounts or on terms acceptable to us, if at all. See “Item 3. Key Information—D. Risk Factors—Risks Related to Our Business—We may need additional capital, and financing may not be available on terms acceptable to us, or at all.”

Our ability to manage our working capital, including accounts receivable, prepaid expenses and other assets and accrued expenses and other liabilities, may materially affect our financial position and results of operations. See “Item 3. Key Information—D. Risk Factors—Failure to manage our liquidity and cash flows may materially and adversely affect our financial position and results of operations.”

Our accounts receivable primarily include the transaction fees receivable from borrowers and fees receivable from industry partners in relation to our services offered to them through YEP. As of December 31, 2016, 2017 and 2018, we had accounts receivable of RMB28.6 million, RMB21.4 million and RMB8.8 million (US$1.3 million), respectively. The decrease in our accounts receivable from 2016 to 2017 was primarily due to a decrease in transaction fees receivable from borrowers, and the decrease in our accounts receivable from 2017 to 2018 was primarily due to a decrease in fees receivable from industry partners. Transaction fees receivable from borrowers were only associated with loans facilitated before 2015, when the interests and transaction fees associated with the loans facilitated on our platform were guaranteed by a guarantee company. The balance of transaction fees receivable from borrowers decreased over the past three years. As of December 31, 2018, the amount of transaction fees receivable from borrowers was RMB0.3 million (US$40 thousand). As of December 31, 2018, we had RMB8.5 million (US$1.2 million) in fees receivable from industry partners. We expect fees receivable from industry partners to increase in the foreseeable future as we continue to development this business.

Our prepaid expenses and other assets include primarily funds receivable from external payment networks, loans to third parties and funds receivable from insurance and guarantee companies, and our accrued expenses and other liabilities include primarily accrued payroll and welfare, tax payable, accrued customer incentives, and accrued advertisement expense, long-term borrowings and funds collected on behalf of third-party guarantee companies. Prior to August 2015, our accrued expenses and other liabilities include primarily funds payable to investors or borrowers. In August 2015, we fully migrated to a new system whereby China Guangfa Bank not only maintains an account for us but also maintains separate in trust for, or ITF, accounts for borrowers and investors. With this arrangement, the balance of the funds payable to investors or borrowers on our balance sheet was reduced to zero as of December 31, 2015.

Although we consolidate the results of operations of Heng Cheng and Yi Ren Wealth Management, our variable interest entities, we only have access to the cash balances and the future earnings of Heng Cheng and Yi Ren Wealth Management through our contractual arrangements with them. See "Item 4. Information on the Company—A. History and Development of Our Company." In addition, although we consolidate the cash flow of the Consolidated ABFE into our cash flow, the cash balance of the Consolidated ABFE is not available to fund our general liquidity needs. For more information about the Consolidated ABFE, please see "—Critical Accounting Policies, Judgments and Estimates—Basis of Presentation, Combination and Consolidation." For restrictions and limitations on liquidity and capital resources as a result of our corporate structure, see "—Holding Company Structure."

In utilizing the cash that we hold offshore, we may (i) make additional capital contributions to our PRC subsidiaries, (ii) establish new PRC subsidiaries and make capital contributions to these new PRC subsidiaries, (iii) make loans to our PRC subsidiaries, or (iv) 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, whether existing or newly established ones, must be approved by the MOC or its local counterparts; and

- loans by us to our PRC subsidiaries, which are foreign-invested enterprises, to finance their activities cannot exceed statutory limits and must be registered with SAFE or its local branches.

See "Item 3. Key Information—D. Risk Factors—Risks Related to Doing Business in China—PRC regulation of loans to and direct investment in PRC entities by offshore holding companies and governmental control of currency conversion may delay or prevent us from using the proceeds of our initial public offering and the concurrent private placement to make loans to or make additional capital contributions to our PRC subsidiaries, which could materially and adversely affect our liquidity and our ability to fund and expand our business."

Substantially all of our future revenues are likely to continue to be in the form of RMB. 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 SAFE approval as long as certain routine procedural requirements are fulfilled. Therefore, our PRC subsidiaries are allowed to pay dividends in foreign currencies to us without prior SAFE approval by following certain routine procedural requirements. 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 Chinese accounting standards and regulations. Our PRC subsidiaries are required to set aside at least 10% of its after-tax profits after making up previous years' accumulated losses each year, if any, to fund certain reserve funds until the total amount set aside reaches 50% of its registered capital. These reserves are not distributable as cash dividends. Furthermore, capital account transactions, which include foreign direct investment and loans, must be approved by and/or registered with SAFE and its local branches. See "Item 3. Key Information—D. Risk Factors—Risks Relating to Doing Business in China—Governmental control of currency conversion may limit our ability to utilize our net revenues effectively and affect the value of your investment."

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

	Year Ended December 31,			
	2016	2017	2018	
	RMB	RMB	RMB	US$
	(in thousands)			
Summary Consolidated Cash Flow Data:				
Net cash generated from/(used in) operating activities	2,113,435	2,716,513	(820,182)	(119,291)
Net cash used in investing activities	(1,421,663)	(374,597)	(689,443)	(100,275)
Net cash provided by/(used in) financing activities	135,298	(849,450)	(25,963)	(3,776)
Effect of foreign exchange rate changes	29,356	(16,109)	3,631	528
Net increase/(decrease) in cash, cash equivalents and restricted cash	856,426	1,476,357	(1,531,957)	(222,814)
Cash, cash equivalents and restricted cash, beginning of year	1,330,085	2,186,511	3,662,868	532,742
Cash, cash equivalents and restricted cash, end of year	2,186,511	3,662,868	2,130,911	309,928

Operating Activities

Net cash used in operating activities was RMB820.2 million (US$119.3 million) in 2018. In 2018, the principal items accounting for the difference between our net cash generated from operating activities and our net income of RMB966.6 million (US$140.6 million) were changes in certain working capital accounts, principally a decrease in liabilities from quality assurance program and guarantee of RMB2,784.0 million (US$404.9 million), an increase in contract assets of RMB842.3 million (US$122.5 million), and a decrease of accrued expenses and other liabilities of RMB432.7 million (US$62.9 million), partially offset by a change in deferred tax assets/liabilities of RMB669.1 million (US$97.3 million), an decrease in prepaid expenses and other assets of RMB519.6 million (US$75.6 million), and an allowance for contract assets of RMB667.8 million (US$97.1 million). The decrease in liabilities from quality assurance program and guarantee was primarily due to the transfer of the guarantee liability related to the quality assurance program to a third-party guarantee company and payouts for default loans and interests in 2018. The increase in contract assets was primarily due to the adoption of the new revenue recognition standard, under which we accrued service fees. The decrease in accrued expenses and other liabilities was primarily due to the decrease in tax payable related to the deferred tax assets in liabilities from quality assurance program and guarantee. The change in deferred tax assets/liabilities was primarily due to the decrease of deferred tax assets. The decrease in prepaid expenses and other assets was primarily due to a decrease in funds receivable from external payment network providers. We made allowance for contract assets primarily due to the credit risk of borrowers.

Net cash generated from operating activities was RMB2,716.5 million in 2017. In 2017, the principal items accounting for the difference between our net cash generated from operating activities and our net income of RMB1,371.8 million were changes in certain working capital accounts, principally an increase in liabilities from quality assurance program and guarantee of RMB1,322.9 million and an increase in accrued expenses and other liabilities of RMB679.1 million, partially offset by an increase in deferred tax assets in RMB353.4 million and an increase in prepaid expenses and other assets of RMB595.8 million. Quality assurance program liabilities increased primarily due to an increase in the volume of loans facilitated by us. The increase in accrued expenses and other liabilities was primarily due to an increase of RMB378.5 million in tax payable, which was mainly due to an increase in our net income and accumulated effect of deferred tax assets. The increase of RMB328.5 million in deferred tax assets was primarily due to an increase in liabilities from quality assurance program. The increase in prepaid expenses and other assets was primarily due to an increase of RMB548.6 million in funds receivable from external payment network providers.

Net cash generated from operating activities was RMB2,113.4 million in 2016. In 2016, the principal items accounting for the difference between our net cash generated from operating activities and our net income of RMB1,116.4 million were changes in certain working capital accounts, principally an increase in liabilities from quality assurance program and guarantee of RMB924.7 million and an increase in accrued expenses and other liabilities of RMB297.8 million, partially offset by an increase in deferred tax assets in RMB260.5 million and an increase in prepaid expenses and other assets of RMB220.0 million. Quality assurance program liabilities increased primarily due to an increase in the volume of loans facilitated by us. The increase in accrued expenses and other liabilities was primarily due to an increase of RMB216.3 million in tax payable, which was mainly due to an increase in our net income and accumulated effect of deferred tax assets. The increase of RMB231.2 million in deferred tax assets was primarily due to an increase in liabilities from quality assurance program. The increase in prepaid expenses and other assets was primarily due to an increase of RMB108.9 million in funds receivable from external payment network providers.

Investing Activities

Net cash used in investing activities was RMB689.4 million (US$100.3 million) in 2018, which was primarily attributable to purchase of available-for-sale investments, held-to-maturity investments, investment in loans at fair value and loans to third parties, partially offset by our redemption of available-for-sale investments and held-to-maturity investments, and collection of loans at fair value.

Net cash used in investing activities was RMB374.6 million in 2017, which was primarily attributable to our investment in loans at fair value and loan to a related party, purchase of property, equipment and software.

Net cash used in investing activities was RMB1,421.7 million in 2016, which was attributable to our purchases of held-to-maturity investments, available-for-sale investments, investment in loans at fair value and purchase of property, equipment and software.

Financing Activities

Net cash used in financing activities was RMB26.0 million (US$3.8 million) in 2018, which was mainly attributable to RMB131.6 million (US$19.1 million) loan repayment to a non-related party, RMB106.6 million (US$15.5 million) dividends paid to shareholders, and RMB91.5 million (US$13.3 million) principal payments to the Consolidated ABFE, partially offset by RMB324.0 million (US$47.1 million) loan from a non-related party.

Net cash used in financing activities was RMB849.5 million in 2017, which was mainly attributable to RMB605.2 million in dividends distribution in 2017 and RMB270.0 million in principal payments made by Trust No. 2 to its sole beneficiary and RMB221.9 million in principal payments in relation to the asset-backed securities, partially offset by the proceeds of RMB197.7 million from transferring the entire remaining beneficial rights in Trust No. 2 to Zhong Yi Trust. The cash flows of the Consolidated ABFE are consolidated into our cash flow. However, the cash balance of the Consolidated ABFE is not available to fund our general liquidity needs. For more information about the Consolidated ABFE, please see "—Critical Accounting Policies, Judgments and Estimates—Basis of Presentation, Combination and Consolidation."

Net cash provided by financing activities was RMB135.3 million in 2016, which was mainly attributable to the proceeds of RMB270.0 million received by Trust No. 2 from its settlor and sole beneficiary and the proceeds of RMB202.5 million from issuance of asset-backed securities on the Shenzhen Stock Exchange in China with the loans invested by Trust No. 1 through our platform as the underlying assets, partially offset by RMB250.0 million in principal payments made by Trust No. 1 to its sole beneficiary and RMB65.4 million in principal payments in relation to the asset-backed securities. The cash flows of the Consolidated ABFE are consolidated into our cash flow. However, the cash balance of the Consolidated ABFE is not available to fund our general liquidity needs.

Capital Expenditures

We made capital expenditures of RMB30.0 million, RMB70.6 million and RMB52.2 million (US$7.6 million) in 2016, 2017 and 2018, respectively. In these periods, our capital expenditures were mainly used for purchases of property, equipment and software. We will continue to make capital expenditures to meet the requirements of our business operations.

Holding Company Structure

Yirendai Ltd. is a holding company with no material operations of its own. We conduct our operations primarily through our subsidiaries and consolidated variable interest entities in China. As a result, Yirendai Ltd.'s ability to pay dividends depends upon dividends paid by Heng Ye and Heng Yu Da, our PRC subsidiaries, and Heng Cheng, Pu Hui, Hui Min and Yi Ren Wealth Management, our consolidated variable interest entities. 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, each of our wholly foreign-owned subsidiaries in China is permitted to pay dividends to us only out of its retained earnings, if any, as determined in accordance with PRC accounting standards and regulations. Under PRC law, each of our subsidiaries and our consolidated variable interest entities in China is required to set aside at least 10% of its after-tax profits each year, if any, to fund certain statutory reserve funds until such reserve funds reach 50% of its registered capital. In addition, each of our wholly foreign-owned subsidiaries in China may allocate a portion of its after-tax profits based on PRC accounting standards to enterprise expansion funds and staff bonus and welfare funds at its discretion, and each of our consolidated variable interest entities may allocate a portion of its after-tax profits based on PRC accounting standards to a discretionary surplus fund at its discretion. The statutory reserve funds and the discretionary funds are not distributable as cash dividends. Remittance of dividends by a wholly foreign-owned company out of China is subject to examination by the banks designated by SAFE. Our PRC 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.

C. Research and Development

We had a dedicated product development team consisting of 96 full-time employees as of December 31, 2018. This team is responsible for developing and implementing new consumer finance products to introduce on to our marketplace.

We constantly evaluate the popularity of our existing product offerings and develop new products and services that can cater to the ever-evolving needs of our borrowers and investors. From the borrower perspective, we will continue to develop tailored credit products to meet their specific needs. As our marketplace continues to grow, we plan to expand our ability to offer risk-based loan pricing. For example, we plan to enhance our risk-based pricing capability that optimizes loans based on individual credit criteria so that borrowers will be able to receive personalized loans tailored to their credit profile. In addition, we intend to introduce market-based pricing of loans based on macroeconomic factors and we believe such ability to continually adjust the pricing of the loans on our marketplace will allow us to better meet the needs of our borrowers.

From the investor perspective, we continue to develop new investment products, such as diversified term investment products and products with lower investment thresholds, that appeal to different investor appetites and demands. In the future, we plan to segment our loan products into more precise and specific return categories, and seek to offer investors a more diverse array of investment products that better meet their risk-adjusted return targets. We also intend to provide investors with enhanced tools and offer more valued-added services, such as investment portfolio services, enabling them to better monitor and manage their investments on our online marketplace.

D. Trend Information

Other than as disclosed elsewhere in this annual report, we are not aware of any trends, uncertainties, demands, commitments or events for the year ended December 31, 2018 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 condition.

E. Off-Balance Sheet Arrangements

Starting January 2015, we operated a quality assurance program to provide a certain level of assurance to investors who invest in loans through our marketplace, until May 2018 when we discontinued the quality assurance program for purposes of complying with regulatory requirements by transferring all our liabilities associated with the quality assurance program to a third-party guarantee company. Since then, loans facilitated through our online marketplace are either covered by guarantee provided by third-party guarantee companies or by PICC's surety insurance program. In addition, we cooperated with a bank to furnish the borrower referral and facilitation services to the bank from August 2017 to December 2017. We provided guarantee deposits to the bank to protect it from potential losses due to loan delinquency and undertook to timely replenish such deposit from time to time. We also undertake to repay the bank on behalf of defaulting borrowers if any repayment is 80 days overdue and upon such full repayment to the bank, we will obtain the creditor's rights in respect of the relevant default amount. Since the promulgation of the Circular 141, we have suspended the cooperation with the bank. See "—A. Operating Results—Critical Accounting Policies, Judgments and Estimates—Liabilities from Quality Assurance Program and Guarantee" and "Item 4. Information on the Company—B. Business Overview—Risk Management—Investor Protection." Other than the quality assurance program and guarantee arrangement, we have not entered into any other commitments to guarantee the payment obligations of any third parties.

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

F. Contractual Obligations

The following table sets forth our contractual obligations as of December 31, 2018:

	Total	Less than 1 year	1-3 years	3-5 years	More than 5 years
			(in RMB thousands)		
Operating Lease Obligation	54,321	18,087	34,875	1,359	—

Our operating lease obligations relate to our leases of office premises. We lease our office premises under a non-cancelable operating lease with an expiration date in January 2019. Rental expenses under operating leases for 2016, 2017 and 2018 were RMB22.8 million, RMB21.6 million and RMB26.0 million (US$3.8 million), respectively.

Payables to investors related to the Consolidated ABFE have been excluded from the table above. We will make such payments to the investors related to the Consolidated ABFE if and when we receive the related loan payments from borrowers. We do not have any contractual obligations to make such payments out of our own liquidity resources.

We also have a long-term obligation relate to long-term borrowings. In June 2018, we entered into a funding arrangements with principal amount of RMB324 million (US$47.1 million) for a term of three years. As of December 31, 2018, the balance of our long-term borrowings was RMB192.4 million (US$28.0 million) excluding the corresponding interest payable. According to the loan agreement, the repayment of the loan is dependent on the collection of principal, interest and other payments associated with loans invested by Trust No. 3 during the loan term.

Other than those shown above, we did not have any significant capital and other commitments, long-term obligations, or guarantees as of December 31, 2018.

G. Safe Harbor

See "Forward-Looking Information."

Item 6. Directors, Senior Management and Employees

A. Directors and Senior Management

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

Directors and Executive Officers*	Age	Position/Title
Ning Tang†	45	Executive Chairman
Huan Chen	44	Director
Quan Zhou	61	Director
Tina Ju	54	Director
Qing Li	42	Director
Sam Hanhui Sun	46	Independent Director
Jingsheng Huang	61	Independent Director
Chaomei Chen	60	Independent Director
Yihan Fang	46	Chief Executive Officer
Yu Cong	50	Co-Chief Financial Officer
Jia Liu	35	Co-Chief Financial Officer
Yichuan Pei	56	Chief Risk Officer and Chief Credit Officer

* We also have a non-voting observer on our board of directors, Mr. Kwok King Kingsley Chan, a managing director at Morgan Stanley Private Equity Asia.

† Mr. Ning Tang will serve as our chief executive officer replacing Ms. Yihan Fang upon the closing of the business realignment between CreditEase and our company in accordance with a series of definitive agreements signed in March 2019.

Mr. Ning Tang is our founder and has served as our executive chairman of the board of directors since our inception. He is also the founder of our parent company, CreditEase, and has served as the chairman of the board of directors and chief executive officer of CreditEase since its inception in 2006. In December 2014, Mr. Tang was elected to be the chairman of the Beijing P2P Association, founded by CreditEase together with approximately 30 member enterprises and the first association in the industry in China that is officially registered and overseen by regulators. In July 2011, Mr. Tang won the nomination of "Leader of the Year" in the "Global Microfinance Achievement Awards 2011," initiated by the London-based C5 Group to recognize the efforts, innovations and services that ensure maximum business and social returns in the microfinance sector. Mr. Tang is also a member of the advisory board to the Ministry of Industry and Information Technology with respect to small and medium-sized enterprises related policies, and a director at the China Microfinance Institution Association. Prior to founding CreditEase, Mr. Tang served as the director of strategic investments and acquisitions at AsiaInfo-Linkage, Inc., a leading provider of telecommunication software solutions and services in China then listed on Nasdaq, since July 2000. Prior to that, Mr. Tang served as an investment banker at Donaldson, Lufkin & Jenrette, a U.S. investment bank now owned by Credit Suisse, since July 1998. Mr. Tang is an active angel investor and has made several successful investments in the education and training, financial services, human resources services, internet, technology and media industries. Mr. Tang studied mathematics at Peking University and received his bachelor's degree in economics, summa cum laude, from the University of the South in Sewanee, Tennessee. He is also a member of the Phi Beta Kappa Society.

Mr. Huan Chen has served as our director since January 2015, and has served as the chief strategy officer of our parent company CreditEase since November 2007. Prior to joining CreditEase, Mr. Chen served as a product manager at Qihoo 360 Technology Co., Ltd., a leading internet company in China, from July 2006 to November 2007. From March 2003 to July 2006, Mr. Chen served as an investment management manager at 21cn.com, an online portal owned by China Telecom. Prior to that, Mr. Chen worked at Guangzhou Securities Co. Ltd., a securities brokerage service firm, and co-founded Find2Fine Consulting Ltd., an online project outsourcing marketplace, successively from July 1998 to March 2003. Mr. Chen received a bachelor's degree in international commerce and a master's degree in econometrics from Sun Yat-sen University in China.

Mr. Quan Zhou has served as our director since January 2015. Mr. Zhou is currently a managing member of the general partner of IDG Technology Venture Investments, L.P. and its successor funds. Mr. Zhou serves as a director of the general partner of each of IDG-Accel China Growth Fund L.P. and IDG-Accel China Capital Fund L.P., and their respective successor funds. He also serves as a director of the general partner of each of IDG China Venture Capital Fund IV L.P. and its successor fund and IDG China Capital Fund III L.P. Mr. Zhou has been the president and a board member of IDG VC Management Ltd. since 2012. Mr. Zhou currently serves on the board of directors of Fang Holdings Ltd., an NYSE-listed company, Xunlei Limited, a Nasdaq-listed company and CASI Pharmaceuticals, Inc., a Nasdaq-listed Company. Mr. Zhou also serves as a director of various private companies. Mr. Zhou received a bachelor's degree in chemistry from China Science and Technology University, a master's degree in chemical physics from the Chinese Academy of Sciences and a Ph.D. degree in fiber optics from Rutgers University.

Ms. Tina Ju has served as our director since January 2015. Ms. Ju is a founding and managing partner of KPCB China and TDF Capital, and currently a managing member of the general partner of both funds. She has more than 25 years of experience in venture capital, investment banking and operations. Ms. Ju began her venture capital career in 1999. She co-founded VTDF China in 2000 and KPCB China in 2007. Earlier in her career, Ms. Ju spent 11 years in investment banking at Deutsche Bank with her last position as the head of TMT and Transport Asia, Merrill Lynch with her last position as head of Asia Technology and Corporate Finance Team, and Goldman Sachs. Ms. Ju currently serves as a director on the board of various private companies. Ms. Ju received a bachelor's degree in industrial engineering and operations research from the University of California, Berkeley and an MBA degree from Harvard Business School.

Mr. Qing Li has served as our director since December 17, 2015. Mr. Li is the founder and chief executive officer of Sciencast Management L.P., a limited partnership formed in Delaware. Prior to founding Sciencast, Mr. Li was a portfolio manager at SAC Capital Advisors from April 2009 to February 2014, a quantitative researcher at Tykhe Capital LLC from October 2005 to April 2009, a vice president at Fortress Investment Group from September 2004 to October 2005 and an associate from August 2002 to September 2004 at Lehman Brothers. Mr. Li received a Ph.D. in finance from Columbia University and a B.S. in mathematics from Peking University.

Mr. Sam Hanhui Sun has served as our director since December 17, 2015. From January 2010 to September 2015, Mr. Sun assumed a couple of positions at Qunar Cayman Islands Limited, a mobile and online travel platform then listed on Nasdaq, including serving as Qunar's president from May 2015 to September 2015 and its chief financial officer from January 2010 to April 2015. Prior to joining Qunar, Mr. Sun was the chief financial officer of KongZhong Corporation, an online game developer and operator then listed on Nasdaq-listed company, from 2007 to 2009. Mr. Sun was also an independent director and audit committee member of KongZhong Corporation from July 2005 through January 2007. From 2004 to 2007, Mr. Sun served in several financial controller positions at Microsoft China R&D Group, Maersk China Co. Ltd. and SouFun.com. From 1995 to 2004, Mr. Sun worked in KPMG's auditing practice group, including eight years at the Beijing office of KPMG, where he was an audit senior manager, and two years at KPMG in Los Angeles, California. Mr. Sun currently serves as an independent director and audit committee chair of Fang Holdings Limited, an NYSE-listed company, an independent director and audit committee chair of CAR Inc., a company listed on the Hong Kong Stock Exchange, an independent director and audit committee chair of iQIYI Inc., a Nasdaq-listed company, and an independent director and audit committee chair of Sunlands Online Education Group, an NYSE-listed company. Mr. Sun received a B.E. in business administration from Beijing Institute of Technology in 1993. He is a Certified Public Accountant in China.

Mr. Jingsheng Huang has served as our director since December 17, 2015. Mr. Huang is the managing executive director at Harvard Center Shanghai. Mr. Huang has also served as an independent non-executive director of SOHO China, a company listed on the Hong Kong Stock Exchange, since August 2018. Prior to that, he was a partner of TPG Growth and RMB Funds based in Shanghai, China. Before joining TPG, he was a managing director at Bain Capital LLC, where he set up and ran its Shanghai operations. Prior to that, Mr. Huang served multiple positions in the investment industry, including managing director in China at SOFTBANK Asia Infrastructure Fund, partner at SUNeVision Ventures and senior manager of strategic investment at Intel Capital. Before starting his investment career, Mr. Huang was the director of research operations at GartnerGroup, a co-founder and vice president of marketing at Mtone Wireless and an English lecturer at Communication University of China. Before joining Harvard, Mr. Huang served as a member of the board of China Venture Capital Association and a deputy chairman of Shanghai Private Equity Association. Mr. Huang currently serves as an independent director of Besunyen Holdings Company Limited and SOHO China Ltd., both companies listed on the Hong Kong Stock Exchange. Mr. Huang received an M.B.A degree from Harvard Business School, an M.A. from Stanford University and a B.A. from Beijing Foreign Studies University.

Ms. Chaomei Chen has served as our director since December 18, 2016. Ms. Chen had been part of our Advisory Committee from January 2016 to December 2016. Previously, Ms. Chen served as chief risk officer of LendingClub from June 2011 to December 2015. Before LendingClub, she served as chief risk officer of WaMu Card Services at JP Morgan Chase from October 2005 to August 2009. Prior to JP Morgan Chase, Ms. Chen was vice chairman and chief credit officer at Providian Financial Services from August 2002 to September 2005. Ms. Chen graduated with a B.S. degree in mathematics from the Southwestern Jiaotong University in China and earned an M.S.E. degree in mathematical science from Whiting School of Engineering at the Johns Hopkins University.

Ms. Yihan Fang has served as our chief executive officer and the general manager in charge of the online lending business unit of CreditEase since March 2012. Ms. Fang has 15 years of experience in product, technology and marketing in internet and financial services. Prior to joining CreditEase, Ms. Fang served as director of marketing products at Nelnet/CUNet in 2011, a leading provider of digital enrollment marketing solutions. Prior to that, Ms. Fang worked at IAC/Ask.com with multiple positions from February 2002 to February 2010, including Vice President of Global Search and Answers overseeing strategy and product development of various key search and question/answer products, Senior Director of Product Management responsible for search product and relevance, and Director of Search Operations responsible for search engine operations. Ms. Fang received a Master of Philosophy and a Master of Science in Electrical Engineering and a Master of Arts in Astronomy from Columbia University. She completed her undergraduate study through the Program for Gifted Youth at the University of Science and Technology of China.

Mr. Yu Cong has served as our co-chief financial officer since March 2019 and served as our chief financial officer from September 2014 to March 2019. Prior to joining us, Mr. Cong served as the Chief Representative of Deutsche Bank AG's Beijing Representative Office as well as a director and head of China Technology, Media & Telecommunications (TMT), from October 2010 to August 2014, and as a vice president and director successively at the Asia Technology & Media Banking group from May 2008 to October 2010. Prior to that, Mr. Cong worked with a few other firms in the U.S., including Needham & Co. as a vice president of investment banking from 2006 to 2008, Piper Jaffray & Co. as an equity research analyst covering companies in the technology industry from 2004 to 2006, and Applied Materials, a semiconductor equipment manufacturer, as a marketing manager from 1996 to 2003. Mr. Cong received his bachelor's degree from the University of Science and Technology of China, Ph.D. from the University of Illinois at Urbana-Champaign, and an M.B.A. degree from Walter Haas School of Business, University of California at Berkeley.

Ms. Jia Liu has served as our co-chief financial officer since March 2019. Prior to being appointed as our co-chief financial officer, Ms. Liu served as our vice president of finance from September 2016 to March 2019, and as financial controller from December 2014 to May 2016. Prior to that, Ms. Liu worked at PricewaterhouseCoopers Assurance Group, including six years at Beijing office of PricewaterhouseCoopers as an audit senior manager, and three years at New York office of PricewaterhouseCoopers as an audit manager. Ms. Liu received an M.S. degree of Finance from University of Rochester and a B.A. of Finance from Minzu University of China. Ms. Liu is a Certified Public Accountant in China and Certified Public Accountant in the U.S.

Dr. Yichuan Pei has served as our chief credit officer since March 2017 and our chief risk officer since the third quarter of 2017. Prior to joining us, Dr. Pei served as vice general manager of Ping An Bank in Shanghai, China from October 2016 to February 2017 and as chief risk officer of Knowledge Decision Sciences in San Jose, California from September 2013 to September 2016. Previously, Dr. Pei served as senior or executive vice president at various banks in the United States, including Bank of America, JP Morgan Chase, Washington Mutual Bank, Providian Financial Services, and Fleet Boston Bank. Dr. Pei graduated with a bachelor of science degree from the University of Science and Technology of China, received a Ph.D. degree from the Johns Hopkins University in Baltimore, Maryland, and awarded a postdoctoral fellowship from Princeton University in Princeton, New Jersey.

B. Compensation

For the fiscal year ended December 31, 2018, we paid an aggregate of approximately RMB13.7 million (US$2.0 million) in cash to our directors and officers. 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 variable interest entity are required by law to make contributions equal to certain percentages of each employee's salary for his or her pension insurance, medical insurance, unemployment insurance and other statutory benefits and a housing provident fund. For information regarding the share-based incentive awards that we have granted to our officers and directors, please refer to "—Share Incentive Plan."

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 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.

We have entered into director agreements with each of our independent directors. These agreements set forth the services to be provided and compensation to be received by our independent directors, as well as the independent directors' obligations in terms of confidentiality, non-competition and non-solicitation. Pursuant to these agreements, the directorship of our independent directors will last until the earlier of (i) the date on which the director ceases to be a member of our board of directors for any reason or (ii) the date of termination of these agreements. Each party to a director agreement may terminate the agreement through a 30-day prior written notice or such shorter period as the parties may agree upon.

Share Incentive Plans

We have adopted two share incentive plans, namely, the 2015 Share Incentive Plan and 2017 Share Incentive Plan, which we refer to as the 2015 Plan and the 2017 Plan, respectively, which allow us to offer a variety of share-based incentive awards to employees, officers, directors and individual consultants who render services to us. Pursuant to the 2015 Plan, the maximum number of shares that may be issued pursuant to all awards under the 2015 Plan is 3,939,100 ordinary shares. As of March 31, 2019, 3,885,100 restricted share units were outstanding under the 2015 Plan. Pursuant to the 2017 Plan, the maximum aggregate number of shares which may be issued is 6,060,900. As of March 31, 2019, 5,772,552 restricted share units were outstanding under the 2017 Plan.

The following table summarizes, as of March 31, 2019, the outstanding restricted share units that we granted to our current directors and executive officers and to other individuals as a group under our 2015 Plan and 2017 Plan:

Name	Ordinary Shares Underlying Restricted Share Units	Grant Date
Huan Chen	*	July 1,2016
	*	July 1,2017
Qing Li	*	July 1,2017
Jingsheng Huang	*	July 1,2016
	*	July 1,2017
Sam Hanhui Sun	*	July 1,2016
	*	July 1,2017
Chaomei Chen	*	July 1,2017
Yihan Fang	*	July 1,2016
	*	July 1,2017
Yu Cong	*	July 1,2016
	*	July 1,2017
Jia Liu	*	July 1,2017
Other Individuals as a Group	5,713,174	July 1,2016 and 2017

* Less than 1% of our total outstanding ordinary shares.

The following paragraphs summarize the terms of the 2015 Plan and the 2017 Plan:

Plan Administration. Our board of directors, or a committee designated by our board of directors, will administer the plan. The committee or the full board of directors, as appropriate, will determine the provisions and terms and conditions of each option grant.

Award Agreements. Options and other awards granted under the plan are evidenced by an award agreement that sets forth the terms, conditions and limitations for each grant, which may include the term of the award and the provisions applicable in the event of the grantee's employment or service terminates. The exercise price of granted options may be amended or adjusted in the absolute discretion of our board of directors, or a committee designated by our board of directors, without the approval of our shareholders or the recipients of the options.

Eligibility. We may grant awards to employees, directors and consultants of our company or any of our affiliates, which include our parent company, subsidiaries and any entities in which our parent company or a subsidiary of our company holds a substantial ownership interest.

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

Acceleration of Awards upon Change in Control. If a change-of-control corporate transaction occurs, the plan administrator may, in its sole discretion, provide for (i) all awards outstanding to terminate at a specific time in the future and give each participant the right to exercise the vested portion of such awards during a specific period of time, or (ii) the purchase of any award for an amount of cash equal to the amount that could have been attained upon the exercise of such award, or (iii) the replacement of such award with other rights or property selected by the plan administrator in its sole discretion, or (iv) payment of award in cash based on the value of ordinary shares on the date of the change-of-control corporate transaction plus reasonable interest.

Term of the Options. The term of each option grant shall be stated in the award agreement, provided that the term shall not exceed ten years from the date of the grant.

Transfer Restrictions. Awards may not be transferred in any manner by the recipient other than by will or the laws of succession, except as otherwise provided by the plan administrator.

Termination of the Plan. Unless terminated earlier, the plan will terminate automatically in 2025. Our board of directors has the authority to amend or terminate the plan subject to shareholder approval to the extent necessary to comply with applicable law. However, no such action may impair the rights of any award recipient unless agreed by the recipient.

C. Board Practices

Board of Directors

Our board of directors consists of eight directors. A director is not required to hold any shares in our company to qualify to serve as a director. A director who is in any way, whether directly or indirectly, interested in a contract or transaction or proposed contract or transaction with our company must declare the nature of his interest at a meeting of the directors. Subject to NYSE rules and disqualification by the chairman of the relevant board meeting, a director may vote in respect of any contract or transaction or proposed contract or transaction notwithstanding that he may be interested therein and if he does so his vote shall be counted and he may be counted in the quorum at the relevant board meeting at which such contract or transaction or proposed contract or transaction is considered. The directors may exercise all the powers of the company to borrow money, to mortgage or charge its undertaking, property and uncalled capital, and to issue debentures or other securities whenever money is borrowed or as security for any debt, liability or obligation of the company or of any third party. None of our non-executive directors has a service contract with us that provides for benefits upon termination of service.

Committees of the Board of Directors

We have established three committees under the board of directors: an audit committee, a compensation committee and a nominating and corporate governance committee. We have adopted a charter for each of the three committees. Each committee's members and functions are described below.

Audit Committee. Our audit committee consists of Sam Hanhui Sun, Jingsheng Huang and Chaomei Chen. Sam Hanhui Sun is the chairman of our audit committee. We have determined that Sam Hanhui Sun, Jingsheng Huang and Chaomei Chen satisfy the "independence" requirements of Section 303A of the Corporate Governance Rules of the NYSE and Rule 10A-3 under the Securities Exchange Act of 1934. 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, including any transactions between us and CreditEase;
- 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 Sam Hanhui Sun, Jingsheng Huang and Chaomei Chen. Sam Hanhui Sun is the chairman of our compensation committee. We have determined that Sam Hanhui Sun, Jingsheng Huang and Chaomei Chen satisfy the "independence" requirements of Section 303A of the Corporate Governance Rules of the NYSE. 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 Jingsheng Huang, Sam Hanhui Sun and Chaomei Chen. Jingsheng Huang is the chairman of our nominating and corporate governance committee. Jingsheng Huang, Sam Hanhui Sun and Chaomei Chen satisfy the "independence" requirements of Section 303A of the Corporate Governance Rules of the NYSE. 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.

Duties of Directors

Under Cayman Islands law, our directors owe fiduciary duties to our company, including a duty of loyalty, a duty to act honestly and a duty to act in what they consider in good faith to be in our best interests. Our directors also have a duty to exercise the skill they actually possess and such care and diligence that a reasonably prudent person would exercise in comparable circumstances. In fulfilling their duty of care to us, our directors must ensure compliance with our memorandum and articles of association, as amended and restated from time to time, and the class rights vested thereunder in the holders of the shares. Our company has the right to seek damages if a duty owed by our directors is breached. A shareholder may in certain limited exceptional circumstances have the right to seek damages in our name if a duty owed by the directors is breached.

Our board of directors has all the powers necessary for managing, and for directing and supervising, our business affairs. The functions and powers of our board of directors include, among others:

- convening shareholders' annual and extraordinary general meetings;
- declaring dividends and distributions;
- appointing officers and determining the term of office of the officers;
- exercising the borrowing powers of our company and mortgaging the property of our company; and
- approving the transfer of shares in our company, including the registration of such shares in our share register.

Terms of Directors and Executive Officers

Our directors may be elected by a resolution of our board of directors, or by an ordinary resolution of our shareholders. Each of our directors will hold office until the expiration of his or her term as provided in the written agreement with our company, if any, and until his or her successor has been elected or appointed. A director will cease to be a director if, among other things, the director (i) becomes bankrupt or makes any arrangement or composition with his creditors; (ii) dies or is found by our company to be or becomes of unsound mind, (iii) resigns his office by notice in writing to the company, or (iv) without special leave of absence from our board, is absent from three consecutive board meetings and our directors resolve that his office be vacated. Our officers are elected by and serve at the discretion of the board of directors.

D. Employees

As of December 31, 2016, 2017 and 2018, we had a total of 911, 1,037 and 956 employees, respectively. The following table sets forth the breakdown of our employees as of December 31, 2018 by function:

	Number of Employees	% of Total
Function		
Technology	252	26.4
Risk Management	34	3.6
Operations	266	27.8
Product Development	96	10.0
Sales and Marketing	249	26.0
General and Administrative	59	6.2
Total	956	100.0

As of December 31, 2018, 587 employees were based in Beijing, where our principal executive offices are located, 367 employees were based in Chongqing, and 2 employees were based in Hong Kong. We expect to have more employees join us upon completion of our business realignment with CreditEase.

We believe we offer our employees competitive compensation packages and a work environment that encourages initiative and is based on merit, and as a result, we have generally been able to attract and retain qualified personnel and maintain a stable core management team. We plan to hire additional employees as we expand our business.

As required by PRC regulations, we participate in various government statutory employee benefit plans, including social insurance funds, namely a pension contribution plan, a medical insurance plan, an unemployment insurance plan, a work-related injury insurance plan and a maternity insurance plan, and a housing provident fund. We are required under PRC law to make contributions to employee benefit plans at specified percentages of the salaries, bonuses and certain allowances of our employees, up to a maximum amount specified by the local government from time to time. We have not made adequate employee benefit payments, and may be required to make up the contributions for these plans as well as to pay late fees and fines. See “Item 3. Key Information—D. Risk Factors—Risks Related to Doing Business in China—Failure to make adequate contributions to various employee benefit plans as required by PRC regulations may subject us to penalties.”

We enter into standard labor, confidentiality and non-compete agreements with our employees. The non-compete restricted period typically expires one year after the termination of employment, and we agree to compensate the employee with a certain percentage of his or her pre-departure salary during the restricted period.

We believe that we maintain a good working relationship with our employees, and we have not experienced any major labor disputes.

E. Share Ownership

Except as specifically noted, the following table sets forth information with respect to the beneficial ownership of our ordinary shares as of March 31, 2019 by:

- each of our directors and executive officers; and
- each person known to us to own beneficially more than 5% of our total outstanding ordinary shares.

The calculations in the table below are based on 123,062,918 ordinary shares outstanding as of March 31, 2019.

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.

	Ordinary Shares Beneficially Owned as of March 31, 2019	
	Number	%†
Directors and Executive Officers:**		
Ning Tang[(1)]	43,430,000	35.3
Huan Chen	*	*
Quan Zhou[(2)]	*	*
Tina Ju[(3)]	—	—
Qing Li	*	*
Jingsheng Huang	*	*
Sam Hanhui Sun	*	*
Chaomei Chen	*	*
Yihan Fang	*	*
Yu Cong	*	*
Jia Liu	*	*
Yichuan Pei	*	*
All Directors and Executive Officers as a Group	43,953,109	35.7
Principal Shareholders:		
CreditEase Holdings (Cayman) Limited[(4)]	100,000,000	81.3

* Less than 1% of our total outstanding shares.

** Except for Mr. Huan Chen, Mr. Quan Zhou, Ms. Tina Ju, Mr. Qing Li, Mr. Sam Hanhui Sun, Mr. Jingsheng Huang, and Ms. Chaomei Chen, the business address of our directors and executive officers is 10/F, Building 9, 91 Jianguo Road, Chaoyang District, Beijing, People's Republic of China. The business address of Mr. Huan Chen is 10th Floor, Tower B, SOHO Newtown, 88 Jianguo Road, Chaoyang District, Beijing, People's Republic of China. The business address of Mr. Quan Zhou is 6th Floor, Tower A, COFCO Plaza, 8 Jianguomennei Avenue, Beijing 100005, People's Republic of China. The business address of Ms. Tina Ju is Level 19, Cheung Kong Center, 2 Queens Road, Central, Hong Kong. The business address of Mr. Qing Li is 23 Coniston Ct, Princeton, NJ 08540. The business address of Mr. Sam Hanhui Sun is 1559 Argyle Avenue, Westmount, Quebec, Canada H3Y 3B8. The business address of Mr. Jingsheng Huang is 2-1802, 188 Mingyue Road, Shanghai 200135, People's Republic of China. The business address of Ms. Chaomei Chen is 338 Spear Street, 31-D, San Francisco, CA 94105, USA.

† For each person and group included in this column, percentage ownership is calculated by dividing the number of shares beneficially owned by such person or group by the sum of the total number of shares outstanding and the number of shares such person or group has the right to acquire upon exercise of option, warrant or other right within 60 days after March 31, 2019. The total number of ordinary shares outstanding as of March 31, 2019 is 123,062,918.

(1) Mr. Ning Tang does not hold any ordinary share in our company directly. Mr. Tang, through a British Virgin Islands company wholly owned by him, owns 43.4% of the total outstanding shares of CreditEase, our parent company, on an as-converted basis.

(2) Mr. Quan Zhou does not hold any ordinary share in our company directly. Mr. Zhou beneficially owns these shares indirectly through IDG-Accel China Investors II L.P., a shareholder of CreditEase.

(3) Ms. Tina Ju is a founding and managing partner of KPCB China, which holds certain equity interest in CreditEase through its affiliated funds.

(4) CreditEase Holdings (Cayman) Limited, or CreditEase, is our parent company. We are currently doing a business realignment with CreditEase. See "Item 4. Information on the Company—A. History and Development of the Company" for more details. Upon the completion of the business realignment between CreditEase and us, CreditEase's shareholding in our company will increase to 90.0%, assuming no adjustment of the consideration to be made by our company for acquiring target businesses from CreditEase. CreditEase is incorporated in the Cayman Islands, and its business address is 3/F, Winterless Center Building A, Chaoyang District, Beijing, People's Republic of China. CreditEase is owned by Mr. Ning Tang, our executive chairman, and a few investors, including IDG, KPCB China and Morgan Stanley Private Equity Asia, through their respective investment vehicles.

As of March 31, 2019, 22,328,094 of our outstanding ordinary shares were held by one record holder in the United States, which is the depositary of our ADS program, representing 18.1% of our total issued and outstanding ordinary shares as of such date. None of our existing shareholders has different voting rights from other shareholders. 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

Agreements with CreditEase

We are a majority-owned subsidiary of CreditEase. Prior to our initial public offering in 2015, we entered into a series of agreements with CreditEase with respect to various ongoing relationships between us. These agreements include a master transaction agreement, a transitional service agreement, a non-competition agreement, a cooperation framework agreement, and an intellectual property license agreement.

On March 25, 2019, we entered into a set of definitive agreements with CreditEase regarding a business realignment between CreditEase and us. These agreements include, among other things, a share subscription agreement, an amended and restated transitional service agreement, an amended and restated non-competition agreement, an amended and restated cooperation framework agreement, and an amended and restated intellectual property license agreement.

The following are summaries of the above-mentioned agreements.

Master Transaction Agreement

The master transaction agreement contains provisions relating to our carve-out from CreditEase. Pursuant to this agreement, we are responsible for all financial liabilities associated with the current and historical online consumer finance marketplace business and operations that have been conducted by or transferred to us, and CreditEase is responsible for financial liabilities associated with all of CreditEase's other current and historical businesses and operations, in each case regardless of the time those liabilities arise. The master transaction agreement also contains indemnification provisions under which we and CreditEase agree to indemnify each other with respect to breaches of the master transaction agreement or any related inter-company agreement.

In addition, we agree to indemnify CreditEase against liabilities arising from misstatements or omissions in the prospectus for our initial public offering or the registration statement of which it is a part, except for misstatements or omissions relating to information that CreditEase provided to us specifically for inclusion in the prospectus for our initial public offering or the registration statement of which it forms a part. We also agree to indemnify CreditEase against liabilities arising from any misstatements or omissions in our subsequent SEC filings and from information we provide to CreditEase specifically for inclusion in CreditEase's reports and filings, if any, following the initial filing of the registration statement with the SEC of which the prospectus for our initial public offering is a part, but only to the extent that the information pertains to us or our business or to the extent CreditEase provides us prior written notice that the information will be included in its reports or other subsequent filings, if any, and the liability does not result from the action or inaction of CreditEase. Similarly, CreditEase will indemnify us against liabilities arising from misstatements or omissions in its subsequent filings, if any, or with respect to information that CreditEase provided to us specifically for inclusion in the prospectus for our initial public offering, the registration statement of which the prospectus for our initial public offering forms a part, or our annual reports or other SEC filings following the initial filing of the registration statement with the SEC of which the prospectus for our initial public offering is a part, but only to the extent that the information pertains to CreditEase or CreditEase's business or to the extent we provide CreditEase prior written notice that the information will be included in our annual reports or other SEC filings, and the liability does not result from our action or inaction.

The master transaction agreement also contains a general release, under which the parties will release each other from any liabilities arising from events occurring on or before the initial filing date of the registration statement of which the prospectus for our initial public offering forms a part, including in connection with the activities to implement our initial pub offering. The general release does not apply to liabilities allocated between the parties under the master transaction agreement or the other inter-company agreements.

Furthermore, under the master transaction agreement, we agree to use our reasonable best efforts to engage the same independent certified public accounting firm selected by CreditEase and to maintain the same fiscal year as CreditEase until the first CreditEase fiscal year-end following the earlier of (i) the first date when CreditEase no longer owns at least 20% of the voting power of our then outstanding securities or (ii) the first date when CreditEase ceases to be the largest beneficial owner of our then outstanding voting securities (without considering holdings by certain institutional investors). We refer to this earlier date as the control ending date. We also agree to use our reasonable best efforts to complete our audit and provide CreditEase with all financial and other information on a timely basis so that CreditEase may meet its deadlines for its filing of annual and quarterly financial statements, if applicable.

The master transaction agreement will automatically terminate five years after the control ending date. This agreement can be terminated early or extended by mutual written consent of the parties. The termination of this agreement will not affect the validity and effectiveness of the amended and restated transitional services agreement, the amended and restated non-competition agreement, the amended and restated cooperation framework agreement and the amended and restated intellectual property license agreement.

Amended and Restated Transitional Services Agreement

Under the amended and restated transitional services agreement, CreditEase agrees that, during the service period, as described below, CreditEase will provide us with various corporate support services, including but not limited to:

- operational management support;
- administrative support;
- legal support;
- human resources support;
- corporate communications;
- marketing;
- global security & continuity; and
- accounting, internal control and internal audit support.

CreditEase also may provide us with additional services that we and CreditEase may identify from time to time in the future.

The price to be paid for the services provided under the amended and restated transitional service agreement will be the actual direct and indirect costs of providing such services. Direct costs include compensation and travel expenses attributable to employees, temporary workers, and contractors directly engaged in performing the services, as well as materials and supplies consumed in and agency fees arising from performing the services. Indirect costs include occupancy, information technology support and other overhead costs of the department incurring the direct costs of providing the services.

The amended and restated transitional service agreement provides that the performance of a service according to the agreement will not subject the provider of such service to any liability whatsoever except as directly caused by the gross negligence or willful misconduct of the service provider. Liability for gross negligence or willful misconduct is limited to the lower of the price paid for the particular service or the cost of the service's recipient performing the service itself or hiring a third party to perform the service. Under the amended and restated transitional services agreement, the service provider of each service is indemnified by the recipient against all third-party claims relating to provision of services or the recipient's material breach of a third-party agreement, except where the claim is directly caused by the service provider's gross negligence or willful misconduct.

The service period under the amended and restated transitional services agreement commenced on December 23, 2015, the closing date of Yirendai's initial public offering, and will end on the earlier of (i) March 25, 2024, the fifth anniversary of March 25, 2019, and (ii) one year after the control ending date. We may terminate the amended and restated transitional services agreement with respect to either all or part of the services by giving a 90-day prior written notice to CreditEase and paying all fees accrued through the termination and costs actually incurred by CreditEase resulting from the early termination. Upon the control ending date, CreditEase may terminate this agreement with respect to either all or part of the services by giving us a 90-day prior written notice.

Amended and Restated Non-competition Agreement

Our amended and restated non-competition agreement with CreditEase provides for a non-competition period beginning upon March 25, 2019, the date of the amended and restated non-competition agreement between CreditEase and us, and ending on the earliest of (i) the first anniversary of the control ending date, (ii) the date on which the ADSs representing ordinary shares of Yirendai cease to be listed on Nasdaq or the New York Stock Exchange (except for temporary suspension of trading of the ADSs); and (ii) March 25, 2034, the fifteenth (15th) anniversary of the completion of March 25, 2019. This agreement can be terminated early by mutual written consent of the parties.

CreditEase agrees not to compete with us during the non-competition period in any of the following business or any business that is of the same nature as the following business, in each case unless as may otherwise be approved in writing by the audit committee of the board of directors of Yirendai:

(i) the operation of online consumer finance marketplace connecting investors and individual borrowers and facilitating unsecured loan products, and provision of related services, as conducted or contemplated to be conducted by the Yirendai Group anywhere in the world;

(ii) the target business as defined thereunder, including but not limited to online wealth management targeting the mass affluent, unsecured and secured consumer lending, financial leasing, SME lending, and provision of related services, as conducted or contemplated to be conducted by the Yirendai Group anywhere in the world; and

(iii) other businesses that we and CreditEase may mutually agree from time to time to be part of the business that CreditEase cannot compete with us.

The amended and restated non-competition agreement also provides for a mutual non-solicitation obligation that neither CreditEase nor we may, during the non-competition period, hire or solicit for hire, any active employees of or individuals providing consulting services to the other party, or any former employees of or individuals providing consulting services to the other party within six months of the termination of their employment or consulting services, without the other party's consent, except for solicitation activities through generalized non-targeted advertisement not directed to such employees or individuals that do not result in a hiring within the non-competition period.

Amended and Restated Cooperation Framework Agreement

Under the amended and restated cooperation framework agreement, CreditEase agrees to provide us long-term services and support in terms of user acquisition, collection, technology support, business consulting services, credit assessment and management consulting services, internationalization consulting services, and wealth management consulting services. In terms of borrower acquisition, we will submit our request for borrower leads to CreditEase on a monthly basis and CreditEase will direct borrowers who fall within our target borrower group to our online marketplace. As for investor acquisition, CreditEase will, at its discretion, direct to us or share information on any investors it learns may be interested in our online marketplace. The rate of fees, if any, charged by one party to the other party under the cooperation contemplated by this agreement shall not be higher than the fee rate charged by or to any unrelated third party. The fee rate may be adjusted on a yearly basis based on commercial negotiation, and after taking into consideration the costs to CreditEase for providing such services and with reference to market rates. This agreement became effective on March 25, 2019, the date of the amended and restated cooperation framework agreement, and, unless terminated pursuant to the express provisions of the agreement or as agreed by CreditEase and us in writing, will expire on the earlier of (i) March 25, 2034, the fifteenth anniversary of the date of the agreement, or (ii) one year after the control ending date.

Amended and Restated Intellectual Property License Agreement

Under the amended and restated intellectual property license agreement, CreditEase and we grant to each other and each party's respective subsidiaries and variable interest entities a worldwide, royalty-free, fully paid-up, non-sublicensable, non-transferable, limited, non-exclusive license of intellectual property owned by the licensing party to use, reproduce, modify, prepare derivative works of, perform, display, or otherwise exploit, except for certain trademarks with regard to which CreditEase agrees to grant us a worldwide, royalty-free, fully paid-up, sublicensable, transferable, unlimited and exclusive license to use, reproduce, modify, prepare derivative works of, perform, display, sublicense, transfer or otherwise exploit, until and unless such trademarks are transferred to our company or any of our subsidiaries or consolidated variable interest entities. As of the date of this annual report, a total of 44 trademarks have been transferred to us by CreditEase.

CreditEase and we also agree, to the extent permitted under applicable laws and regulations, to cooperate in sharing information and data collected from each party's business operation, including without limitation borrower and investor information and credit and loan data, as reasonably requested by the requesting party. This information sharing is free of charge unless otherwise mutually agreed in writing.

This agreement became effective on March 25, 2019, the date of the amended and restated intellectual property license agreement, and, unless terminated pursuant to the express provisions of the agreement or as agreed by CreditEase and us in writing, will expire on the earlier of (i) March 25, 2049, the thirtieth anniversary of the date of the agreement or (ii) one year after the control ending date.

Share Subscription Agreement

On March 25, 2019, we entered into a share subscription agreement with CreditEase. Under the share subscription agreement, we agreed to issue 106,917,947 ordinary shares of our company, as may be adjusted in accordance with the mechanism set forth in the agreement, at the closing in consideration for our assumption from CreditEase and its affiliates certain target businesses, including online wealth management targeting the mass affluent, unsecured and secured consumer lending, financial leasing, SME lending and other related services and businesses, and for additional services and supports from CreditEase as reflected in the amended and restated transitional service agreement, the amended and restated non-competition agreement, the amended and restated cooperation framework agreement, and the amended and restated intellectual property license agreement, which were entered into by and between us and CreditEase currently with the share subscription agreement. The closing of the transactions contemplated under this agreement is subject to certain conditions. We expect that the target businesses will be consolidated into our consolidated financial statements prior to the closing of the transactions once controls are transferred to us.

Transactions with CreditEase Affiliated Entities

Prior to the establishment of Yirendai Ltd., our online consumer finance marketplace business was carried out by various subsidiaries and variable interest entities of CreditEase, which provided us with origination and servicing, sales and marketing and general and administrative services. Since we completed our carve-out from CreditEase and became a stand-alone company in March 2015, affiliates of CreditEase have continued to provide certain supporting services to us. Expenses of services provided by CreditEase's affiliates were recorded as service expenses charged by related parties in 2016, 2017 and 2018 based on various agreements that we entered into with relevant affiliates of CreditEase. Total cost and expense from CreditEase for such services were approximately RMB911.7 million, RMB 1,325.9 million and RMB1,378.3 million (US$200.5 million) for 2016, 2017 and 2018, respectively. Among these, allocation for provision of borrower and investor acquisition and referral services were RMB818.7 million, RMB1,080.7 million and RMB959.2 million (US$139.5 million), for system support were RMB72.0 million, RMB 133.2 million and RMB125.4 million (US$18.2 million) and for collection services were RMB11.9 million, RMB 96.3 million and RMB280.9 million (US$40.9 million), for 2016, 2017 and 2018, respectively. As of December 31, 2018, the total amount due to affiliates of CreditEase for such services was RMB230.7 million (US$33.5 million).

Prior to being acquired by us in March 2019, Hui Min was an affiliate of CreditEase. From February 1, 2017, we provided borrower acquisition and referral services to Hui Min. As of December 31, 2018, we had RMB17.1 million (US$2.5 million) due from Hui Min.

From August 2017 to December 2017, we cooperated with Zhejiang Chouzhou Commercial Bank to furnish the borrower referral and facilitation services to the bank. We undertake to repay the bank on behalf of defaulting borrowers if any repayment is 80 days overdue and upon such full repayment to the bank, we will obtain the creditor's rights in respect of the relevant default amount. Under the arrangement, Pucheng Credit Assessment and Management (Beijing) Co., Ltd., or Pucheng Credit and Pu Hui, the then affiliates of CreditEase, provide a joint guarantee with us.

In December 2017, we provided a one-year loan with an annual interest rate of 4.35% to Pucheng Credit with the principal and accrued interests of which being paid upon maturity. The agreement has been renewed at the date of expiry on the same terms. As of December 31, 2018, the amount due from Pucheng Credit was RMB104.4 million (US$15.2 million).

Business Relationships in relation to Trusts

As part of our strategy to expand our investor base from individual investors to institutional investors, in October 2015 we established a business relationship with Trust No. 1, under which Trust No. 1 invested in loans with an aggregate principal amount of RMB250.0 million through our platform using funds received from its investor. Trust No. 1 is administered by an independent third-party state-owned trust company, which acts as the trustee. The settlor and sole beneficiary of Trust No. 1 is a fund managed by Zhe Hao, an affiliate of CreditEase. Fund No. 1's investors are PRC individuals who are not affiliated with our company. In April 2016, Zhe Hao, on behalf of Fund No. 1, transferred Fund No. 1's entire beneficiary rights in Trust No. 1 to China International Capital Corporation Limited, a special purpose vehicle, which subsequently issued and listed RMB250.0 million asset-backed securities on the Shenzhen Stock Exchange in China, with the loans invested by Trust No. 1 through our platform as the underlying assets. Heng Ye, one of our PRC subsidiaries, purchased RMB47.5 million asset-backed securities through the Shenzhen Stock Exchange. Puxin Hengye Technology Development (Beijing) Co., Ltd., a subsidiary of CreditEase, and two funds managed by Zhe Hao purchased RMB25.0 million and RMB67.5 million asset-backed securities, respectively.

In July 2016, we established a business relationship with another trust, Huijin No. 28 Single Capital Trust E2, or Trust No. 2, which is of the similar structure to Trust No. 1 described above—Trust No. 2 is administered by an independent third-party state-owned trust company and has a fund, CreditEase Wealth Consumer Credit Investment Fund managed by Zhe Hao, or Fund No. 2, as its settlor and sole beneficiary. Trust No. 2 invested an aggregate of RMB300.0 million in loans to borrowers recommended by our platform using the funds raised by its sole beneficiary from ultimate investors, including RMB30.0 million invested by Heng Cheng, one of our variable interest entities in the PRC. In April 2017, Zhe Hao, on behalf of Fund No. 2, transferred Fund No. 2's beneficiary rights in Trust No. 2 to Bohai International Trust Co., Ltd., an independent third party, which created Bohai Trust • Zhong Yi Property Trust No.1, or Zhong Yi Trust, to host the beneficial rights. Zhong Yi Trust has subsequently completed an issuance of RMB300.0 million asset-backed securities through private placements. On the date of transfer, Heng Ye purchased all subordinated beneficiary rights amounted to RMB102.3 million representing 34% of the asset-backed securities upon their issuance.

In June 2017 and October 2017, we established similar business relationship with other trusts, Trust No. 3 and Bohai Trust No. 1, respectively. Trust No. 3 and Bohai Trust No. 1 are administered by independent third-party trust companies to invest in loans to borrowers recommended by our platform, with Heng Ye as their sole settlor and sole beneficiary. Heng Ye invested in an aggregate of RMB500.0 million and RMB200.0 million in the Trust No. 3 and Bohai Trust No. 1, respectively.

In January 2018, we, together with Beijing Baifubao Technology Co., Ltd., or Baifubao, an independent third party, established a business relationship with another trust, or Trust No. 4, a trust administered by an independent third-party state-owned trust company. Heng Ye is the sole settlor and beneficiary of Trust No. 4 and has invested in an aggregate of RMB350.0 million (US$50.9 million) in the Trust No. 4. We team up with Baifubao to conduct two-layer risk assessment and recommend borrowers to Trust No. 4. As of December 31, 2018, Trust No. 4 invested an aggregate of RMB361.4 million (US$52.6 million) in loans recommended by us.

In April 2018, we, together with Baifubao, established a business relationship with Huijin No. 56 Collective Capital Trust E1, or Trust No. 5, a trust administered by an independent third-party state-owned trust company. Heng Ye and Heng Yu Da, being the settlors and beneficiaries of Trust No. 5, have invested in RMB865.0 million (US$125.8 million) and RMB15.0 million (US$2.2 million), respectively in Trust No. 5. We team up with Baifubao to conduct two-layer risk assessment and recommend borrowers to Trust No. 5. As of December 31, 2018, Trust No. 5 invested an aggregate of RMB771.0 million (US$112.1 million) in loans recommended by us.

In May 2018, Heng Ye set up Yi Heng No. 1 Property Right Trust, or Yi Heng No. 1 Trust, as the sole settlor, using the beneficial rights of Trust No. 3 as the underlying asset. Yi Heng No. 1 Trust is administered by an independent third-party state-owned trust company. In June 2018, Heng Ye transferred 10%, 45%, and 45% of the beneficial rights of Yi Heng No. 1 Trust to Heng Yu Da, Heng Lang Sheng and Heng Xin Xin, respectively, which amounts to 36.0 million (US$5.2 million), 162.0 million (US$23.6 million) and 162.0 million (US$23.6 million), respectively.

We treat Trust No. 1, the asset-backed securities plan, Trust No. 2, Zhong Yi Trust, Trust No. 3, Bohai Trust No. 1, Trust No. 4, Trust No. 5 and Yi Heng No. 1 Trust as our variable interest entities under U.S. GAAP for the reasons detailed in "Item 5. Operating and Financial Review and Prospects—A. Operating Results—Critical Accounting Policies, Judgments and Estimates—Basis of Presentation, Combination and Consolidation," and consolidate the financial results of the Consolidated ABFE in our consolidated financial statements in accordance with U.S. GAAP.

Contractual Arrangements with Our Consolidated Variable Interest Entities and Their Respective Shareholders

PRC laws and regulations currently restrict foreign ownership and investment in value-added telecommunications services in China. As a result, we operate our relevant business through contractual arrangements among Heng Ye and Heng Yu Da, our PRC subsidiaries, Heng Cheng, Yi Ren Wealth Management, Pu Hui and Hui Min, our variable interest entities, and the shareholders of Heng Cheng, Yi Ren Wealth Management, Pu Hui and Hui Min. For a description of these contractual arrangements, see "Item 4. Information on the Company—C. Organizational Structure—Contractual Arrangements with Our Consolidated Variable Interest Entities."

Employment Agreements and Indemnification Agreements

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

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 may from time to time be subject to various legal or administrative claims and proceedings incidental to the conduct of our business.

We and certain of our officers were named as defendants in two putative securities class actions filed in the United States District Court for the Central District of California that were subsequently dismissed: *Lefter v. Yirendai Ltd. et al*., Civil Action No. 2:16-cv-06437-MFW-AGR (C.D. Cal.) and *Roh v. Yirendai Ltd. et al*., Civil Action No. 2:16-cv-06506-MFW-AGR (C.D. Cal.). The action—purportedly brought on behalf of a class of persons who allegedly suffered damages as a result of their trading in our ADSs between May 11, 2016 and August 24, 2016—alleged that our public press releases dated May 11, 2016 and August 9, 2016 contained misstatements or omissions relating to our experiencing an increasing amount of fraud related to customer application for loans and the potential negative impact that the Chinese government's implementation of new anti-fraud regulations could have on our business.

On November 29, 2016, the Court entered an order consolidating the cases and appointing lead plaintiffs and lead counsel for the consolidated case. On January 27, 2017, the lead plaintiffs filed their first amended complaint. On March 28, 2017, we filed a motion to dismiss the first amended complaint. On July 12, 2017, the United States District Court for the Central District of California dismissed the class action lawsuits and concluded that the plaintiffs' action, which was not certified as a class action, shall be dismissed with prejudice. For risks and uncertainties relating to the future cases against us, please see "Item 3. Key Information—D. Risk Factors—Risks Related to Our ADSs— We were previously subject to two shareholder class action lawsuits that were subsequently dismissed. However, we cannot assure you that we will not be subject to other shareholder class action lawsuits in the future."

Dividend Policy

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

On July 29, 2017, our board of directors approved a semi-annual dividend policy. Under this policy, semi-annual dividends will be set at an amount equivalent to approximately 15% of our anticipated net income after tax in each half year commencing from the second half of 2017. The determination to declare and pay such semi-annual dividend and the amount of dividend in any particular half year will be made at the discretion of our board of directors and will be based upon our operations and earnings, cash flow, financial condition and other relevant factors that the board may deem appropriate. On July 29, 2017, our board of directors also approved a special cash dividend of US$0.75 per ordinary share of our company (or US$1.50 per ADS), which was already paid on October 16, 2017 to holders of our company's ordinary shares of record as of the close of business on September 29, 2017. On March 11, 2018, our board of directors approved another special cash dividend of US$0.14 per ordinary share of our company (or US$0.28 per ADS), which was paid on May 15, 2018 to holders of our company's ordinary shares of record as of the close of business on April 30, 2018. In August 2018, our board of directors decided to temporarily suspend the semi-annual dividend policy in consideration of a challenging market environment with business uncertainties.

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 on Dividend Distribution" and "Item 10. Additional Information—E. Taxation—People's Republic of China Taxation."

If we pay any dividends, we will pay our ADS holders to the same extent as holders of our ordinary shares, 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 two of our ordinary shares, have been listed and traded on the NYSE under the symbol "YRD" since December 18, 2015.

B. Plan of Distribution

Not applicable.

C. Markets

Our ADSs have been listed on the NYSE since December 18, 2015 under the symbol "YRD."

D. Selling Shareholders

Not applicable.

E. Dilution

Not applicable.

F. Expenses of the Issue

Not applicable.

Item 10. Additional Information

A. Share Capital

Not applicable.

B. Memorandum and Articles of Association

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

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

Ordinary Shares. Our ordinary shares are issued in registered form and are issued when registered in our register of members. Our shareholders who are not residents of the Cayman Islands may freely hold and vote their shares.

Dividends. The holders of our ordinary shares are entitled to such dividends as may be declared by our board of directors. In addition, our shareholders may by an ordinary resolution declare a dividend, but no dividend may exceed the amount recommended by our directors. Under Cayman Islands law, dividends may be declared and paid only out of funds legally available therefor, namely out of either profit or our share premium account, provided that a dividend may not 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.

Voting Rights. In respect of all matters subject to a shareholders' vote, each ordinary share is entitled to one vote. Voting at any shareholders' meeting is by show of hands unless a poll is demanded. A poll may be demanded by the chairman of such meeting or any one or more shareholders who together hold not less than 10% of the votes attaching to the total ordinary shares present in person or by proxy. Each shareholder is entitled to one vote for each ordinary share registered in his or her name on our register of members.

A quorum required for a meeting of shareholders consists of one or more shareholders present and holding shares which represent, in aggregate, not less than one-third of the votes attaching to all issued and outstanding shares in our company entitled to vote at shareholders' meeting. Shareholders may be present in person or by proxy or, if the shareholder is a legal entity, by its duly authorized representative. Shareholders' meetings may be convened by our board of directors on its own initiative or by the chairman of our board of directors or upon a request to the directors by shareholders holding shares which represent, in aggregate, no less than one-third of the votes attaching to our voting share capital in issue. Advance notice of at least seven days is required for the convening of our annual general shareholders' meeting and any other general shareholders' meeting.

An ordinary resolution to be passed at a meeting by the shareholders requires the affirmative vote of a simple majority of the votes 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 attaching to the ordinary shares cast by those shareholders entitled to vote who are present in person or by proxy at a general meeting. Both ordinary resolutions and special resolutions may also be passed by a unanimous written resolution signed by all the shareholders of our company, as permitted by the Companies Law and our 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 or articles of association. Holders of the ordinary shares may, among other things, divide or consolidate their shares by ordinary resolution.

Transfer of Ordinary Shares. Subject to the restrictions set out below, any of our shareholders may transfer all or any of his or her ordinary shares by an instrument of transfer in the usual or common form or any other form approved by our board of directors.

Our board of directors may, in its absolute discretion, decline to register any transfer of any ordinary share which is not fully paid up or on which we have a lien. Our board of directors may also decline to register any transfer of any ordinary share unless:

- the instrument of transfer is lodged with us, accompanied by the certificate for the ordinary shares to which it relates and such other evidence as our board of directors may reasonably require to show the right of the transferor to make the transfer;
- the instrument of transfer is in respect of only one class of shares;
- the instrument of transfer is properly stamped, if required;
- in the case of a transfer to joint holders, the number of joint holders to whom the ordinary share is to be transferred does not exceed four; and
- a fee of such maximum sum as the NYSE 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 requirements of the NYSE, be suspended and the register closed at such times and for such periods as our board of directors may from time to time determine, provided, however, that the registration of transfers shall not be suspended nor the register closed for more than 30 days in any year.

Liquidation. On a winding up of our company, if the assets available for distribution among our shareholders shall be more than sufficient to repay the whole of the share capital at the commencement of the winding up, the surplus will be distributed among our shareholders in proportion to the par value of the shares held by them at the commencement of the winding up, subject to a deduction from those shares in respect of which there are monies due, of all monies payable to our company for unpaid calls or otherwise. If our assets available for distribution are insufficient to repay all of the paid-up capital, the assets will be distributed so that the losses are borne by our shareholders in proportion to the par value of the shares held by them. We are a "limited liability" company incorporated under the Companies Law, and under the Companies Law, the liability of our members is limited to the amount, if any, unpaid on the shares respectively held by them. Our memorandum of association contains a declaration that the liability of our members is so limited.

Calls on Shares and Forfeiture of Shares. Our board of directors may from time to time make calls upon shareholders for any amounts unpaid on their shares in a notice served to such shareholders at least 14 days prior to the specified time and place of payment. The shares that have been called upon and remain unpaid are subject to forfeiture.

Redemption, Repurchase and Surrender of Ordinary Shares. We may issue shares on terms that such shares are subject to redemption, at our option or at the option of the holders thereof, on such terms and in such manner as may be determined, before the issue of such shares, by our board of directors or by a special resolution of our shareholders. Our company may also repurchase any of our shares provided that the manner and terms of such purchase have been approved by our board of directors or by ordinary resolution of our shareholders, or are otherwise authorized by our memorandum and articles of association. Under the Companies Law, the redemption or repurchase of any share may be paid out of our company's profits or out of the proceeds of a fresh issue of shares made for the purpose of such redemption or repurchase, or out of capital (including share premium account and capital redemption reserve) if the company can, immediately following such payment, pay its debts as they fall due in the ordinary course of business. In addition, under the Companies Law no such share may be redeemed or repurchased (a) unless it is fully paid up, (b) if such redemption or repurchase would result in there being no shares outstanding, or (c) if the company has commenced liquidation. In addition, our company may accept the surrender of any fully paid share for no consideration.

Variations of Rights of Shares. The rights attached to any class or series of shares (unless otherwise provided by the terms of issue of the shares of that class or series) may be varied with the consent in writing of the holders of a majority of the issued shares of that class or series or with the sanction of a special 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 shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking pari passu with such existing class of shares.

Issuance of Additional Shares. Our memorandum and articles of association authorizes our board of directors to issue additional 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 authorizes our board of directors to establish from time to time one or more series of preferred shares and to determine, with respect to any series of preferred shares, the terms and rights of that series, including:

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

Our board of directors may issue preferred shares without action by our shareholders to the extent of available authorized but unissued shares. Issuance of these shares may dilute the voting power of holders of ordinary shares.

Inspection of Books and Records. Holders of our ordinary shares will have no general right under Cayman Islands law to inspect or obtain copies of our list of shareholders or our corporate records. However, we will provide our shareholders with annual audited financial statements.

Anti-Takeover Provisions. Some provisions of our memorandum and articles of association may discourage, delay or prevent a change of control of our company or management that shareholders may consider favorable, including provisions that:

- authorize our board of directors to issue 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.

General Meetings of Shareholders and Shareholder Proposals. Our shareholders' general meetings may be held in such place within or outside the Cayman Islands as our board of directors considers appropriate.

As a Cayman Islands exempted company, we are not obliged by the Companies Law to call shareholders' annual general meetings. Our memorandum and articles of association provide that we may (but are not obliged to) in each year hold a general meeting as our annual general meeting.

Shareholders' annual general meetings and any other general meetings of our shareholders may be convened by a majority of our board of directors or our chairman. Our board of directors shall give not less than seven days' written notice of a shareholders' meeting to those persons whose names appear as members in our register of members on the date the notice is given (or on any other date determined by our directors to be the record date for such meeting) and who are entitled to vote at the meeting.

Cayman Islands law provides shareholders with only limited rights to requisition a general meeting, and does not provide shareholders with any right to put any proposal before a general meeting. However, these rights may be provided in a company's articles of association. Our memorandum and articles of association allow our shareholders holding shares representing in aggregate not less than one-third of our voting share capital in issue, to requisition an extraordinary general meeting of our shareholders, in which case our directors are obliged to call such meeting and to put the resolutions so requisitioned to a vote at such meeting; however, our memorandum and articles of association do not provide our shareholders with any right to put any proposals before annual general meetings or extraordinary general meetings not called by such shareholders.

Election and Removal of Directors

Unless otherwise determined by our company in general meeting, our memorandum and articles of association provide that our board will consist of not less than three directors. There are no provisions relating to retirement of directors upon reaching any age limit.

The directors have the power to appoint any person as a director either to fill a casual vacancy on the board or as an addition to the existing board. Our shareholders may also appoint any person to be a director by way of ordinary resolution.

A director may be removed with or without cause by ordinary resolution.

In addition, the office of any director shall be vacated if the director (i) becomes bankrupt or makes any arrangement or composition with his creditors, (ii) dies or is found to be or becomes of unsound mind, (iii) resigns his office by notice in writing to our company, or (iv) without special leave of absence from our board, is absent from three consecutive board meetings and our board resolves that his office be vacated.

Proceedings of Board of Directors

Our memorandum and articles of association provide that our business is to be managed and conducted by our board of directors. The quorum necessary for board meetings may be fixed by the board and, unless so fixed at another number, will be a majority of the directors.

Our memorandum and articles of association provide that the board may from time to time at its discretion exercise all powers of our company to raise or borrow money, to mortgage or charge all or any part of the undertaking, property and assets and uncalled capital of our company and issue debentures and other securities of our company, whether outright or as collateral security for any debt, liability or obligation of our company or of any third party.

Changes in Capital

Our shareholders may from time to time by ordinary resolution:

- increase our share capital by such sum, to be divided into shares of such classes and amount, as the resolution shall prescribe;
- consolidate and divide all or any of our share capital into shares of a larger amount than our existing shares;
- sub-divide our existing shares, or any of them into shares of a smaller amount, provided that in the subdivision the proportion between the amount paid and the amount, if any, unpaid on each reduced share shall be the same as it was in case of the share from which the reduced share is derived; or
- cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person and diminish the amount of our share capital by the amount of the shares so 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.

Exempted Company. We are an exempted company with limited liability under the Companies Law. The Companies Law distinguishes between ordinary resident companies and exempted companies. Any company that is registered in the Cayman Islands but conducts business mainly outside of the Cayman Islands may apply to be registered as an exempted company. The requirements for an exempted company are essentially the same as for an ordinary company except that an exempted company:

- does not have to file an annual return of its shareholders with the Registrar of Companies;
- is not required to open its register of members for inspection;
- does not have to hold an annual general meeting;
- may issue negotiable or bearer shares or shares with no par value;
- may obtain an undertaking against the imposition of any future taxation (such undertakings are usually given for 20 years in the first instance);
- may register by way of continuation in another jurisdiction and be deregistered in the Cayman Islands;
- may register as a limited duration company; and
- may register as a segregated portfolio company.

"Limited liability" means that the liability of each shareholder is limited to the amount unpaid by the shareholder on the shares of the company (except in exceptional circumstances, such as involving fraud, the establishment of an agency relationship or an illegal or improper purpose or other circumstances in which a court may be prepared to pierce or lift the corporate veil).

Register of Members. Under Cayman Islands law, we must keep a register of members and there should be entered therein:

- the names and addresses of the members, a statement of the shares held by each member, and of the amount paid or agreed to be considered as paid, on the shares of each member;
- the date on which the name of any person was entered on the register as a member; and

- the date on which any person ceased to be a member.

Under Cayman Islands law, the register of members of our company is prima facie evidence of the matters set out therein (i.e. the register of members will raise a presumption of fact on the matters referred to above unless rebutted) and a member registered in the register of members is 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.

If the name of any person is incorrectly entered in or omitted from our register of members, or if there is any default or unnecessary delay in entering on the register the fact of any person having ceased to be a member of our company, the person or member aggrieved (or any member of our company or our company itself) may apply to the Grand Court of the Cayman Islands for an order that the register be rectified, and the Court may either refuse such application or it may, if satisfied of the justice of the case, make an order for the rectification of the register.

C. Material Contracts

We have not entered into any material contracts other than in the ordinary course of business and other than those described in "Item 4. Information on the Company," "Item 7. Major Shareholders and Related Party Transactions—B. Related Party Transactions," or elsewhere in this annual report on Form 20-F.

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 levied by the government of the Cayman Islands except for stamp duties which may be applicable on instruments executed in, or after execution brought within the jurisdiction of the Cayman Islands. The Cayman Islands is not party to any double tax treaties that are applicable to any payments made to or by our company. There are no exchange control regulations or currency restrictions in the Cayman Islands.

Payments of dividends and capital in respect of the shares will not be subject to taxation in the Cayman Islands and no withholding will be required on the payment of a dividend or capital to any holder of the shares, nor will gains derived from the disposal of the shares be subject to Cayman Islands income or corporation tax.

No stamp duty is payable in respect of the issue of the shares or on an instrument of transfer in respect of a share.

People's Republic of China Taxation

Under the PRC Enterprise Income Tax Law and its implementation rules, an enterprise established outside of the PRC with a "de facto management body" within the PRC is considered a resident enterprise and will be subject to the enterprise income tax at the rate of 25% on its global income. The implementation rules define the term "de facto management body" as the body that exercises full and substantial control over and overall management of the business, productions, personnel, accounts and properties of an enterprise. In April 2009, the State Administration of Taxation issued a circular, known as Circular 82 and amended in December 2017, 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.

The State Administration of Taxation issued the Notice on Promulgating the Administrative Measures for Special Tax Investigation Adjustments and Mutual Agreement Procedures, or Notice 6, on March 17, 2017. Notice 6 further regulates and strengthens the transfer pricing administration on outbound payments by a PRC enterprise to its overseas related parties. In addition to emphasizing that outbound payments by a PRC enterprise to its overseas related parties must comply with arm's-length principles, Notice 6 specifies certain circumstances whereby such payments that do not comply with arm's-length principles may be subject to the special tax adjustments by the tax authority, including payments to an overseas related party which does not undertake any function, bear any risk or has no substantial operation or activities, payments for services which do not enable the PRC enterprise to obtain direct or indirect economic benefits, royalties paid to an overseas related party which only owns the legal rights of the intangible assets but has no contribution to the value of such intangible assets, royalties paid to an overseas related party for the transfer of the right to use of the intangible assets with no economic benefits, and royalties paid to an overseas related party for the incidental benefits generated from the listing activities. Although we believe all our related party transactions, including all payments by our PRC subsidiaries and consolidated variable interest entities to our non-PRC entities, are made on an arm's-length basis and our estimates are reasonable, the ultimate decisions by the relevant tax authorities may differ from the amounts recorded in our financial statements and may materially affect our financial results in the period or periods for which such determination is made.

We believe that none of our entities outside of China is a PRC resident enterprise for PRC tax purposes. We do not believe that Yirendai Ltd. meets all of the conditions above. Yirendai Ltd. is a company incorporated outside the PRC. As a holding company, its key assets are its ownership interests in its subsidiaries, and its key assets are located, and its records (including the resolutions of its board of directors and the resolutions of its shareholders) are maintained, outside the PRC. For the same reasons, we believe our other entities outside of China are not PRC resident enterprises either. However, the tax resident status of an enterprise is subject to determination by the PRC tax authorities and uncertainties remain with respect to the interpretation of the term "de facto management body." There can be no assurance that the PRC government will ultimately take a view that is consistent with us.

However, if the PRC tax authorities determine that Yirendai Ltd. is a PRC resident enterprise for enterprise income tax purposes, we may be subject to the special tax adjustments conducted by the PRC tax authority and be further required to withhold a 10% withholding tax from dividends we pay to our shareholders that are non-resident enterprises, including the holders of our ADSs. In addition, non-resident enterprise shareholders (including our ADS holders) may be subject to a 10% PRC tax on gains realized on the sale or other disposition of ADSs or ordinary shares, if such income is treated as sourced from within the PRC. It is unclear whether our non-PRC individual shareholders (including our ADS holders) would be subject to any PRC tax on dividends or gains obtained by such non-PRC individual shareholders in the event we are determined to be a PRC resident enterprise. If any PRC tax were to apply to such dividends or gains, it would generally apply at a rate of 20% unless a reduced rate is available under an applicable tax treaty. However, it is also unclear whether non-PRC shareholders of Yirendai Ltd. would be able to claim the benefits of any tax treaties between their country of tax residence and the PRC in the event that Yirendai Ltd. is treated as a PRC resident enterprise.

Provided that our Cayman Islands holding company, Yirendai Ltd., is not deemed to be a PRC resident enterprise, holders of our ADSs and ordinary shares who are not PRC residents will not be subject to PRC income tax on dividends distributed by us or gains realized from the sale or other disposition of our shares or ADSs. However, under Circular 7, where a non-resident enterprise conducts an "indirect transfer" by transferring taxable assets, including, in particular, equity interests in a PRC resident enterprise, indirectly by disposing of the equity interests of an overseas holding company, the non-resident enterprise, being the transferor, or the transferee or the PRC entity which directly owned such taxable assets may report to the relevant tax authority such indirect transfer. Using a "substance over form" principle, the PRC tax authority may disregard the existence of the overseas holding company if it lacks a reasonable commercial purpose and was established for the purpose of reducing, avoiding or deferring PRC tax. As a result, gains derived from such indirect transfer may be subject to PRC enterprise income tax, and the transferee or other person who is obligated to pay for the transfer is obligated to withhold the applicable taxes, currently at a rate of 10% for the transfer of equity interests in a PRC resident enterprise. We and our non-PRC resident investors may be at risk of being required to file a return and being taxed under Circular 7, and we may be required to expend valuable resources to comply with Circular 7, or to establish that we should not be taxed under these circulars. See "3. Key Information—D. Risk Factors—Risks Related to Doing Business in China—Enhanced scrutiny over acquisition transactions by the PRC tax authorities may have a negative impact on potential acquisitions we may pursue in the future."

United States Federal Income Tax Considerations

The following discussion is a summary of United States federal income tax considerations relating to the ownership and disposition of our ADSs or ordinary shares by a U.S. holder (as defined below) that holds our ADSs or ordinary shares as "capital assets" (generally, property held for investment) under the United States Internal Revenue Code of 1986, as amended (the "Code"). This discussion is based upon existing United States federal income tax law, which is subject to differing interpretations and may be changed, possibly with retroactive effect. No ruling has been sought from the Internal Revenue Service (the "IRS") with respect to any United States federal income tax consequences described below, and there can be no assurance that the IRS or a court will not take a contrary position. This discussion does not address all aspects of United States federal income taxation that may be important to particular investors in light of their individual circumstances, including investors subject to special tax rules (for example, certain financial institutions, insurance companies, broker-dealers, traders in securities that have elected the mark-to-market method of accounting for their securities, United States expatriates, partnerships and their partners, regulated investment companies, real estate investment trusts, and tax-exempt organizations (including private foundations)), investors who are not U.S. holders, holders who own (directly, indirectly, or constructively) 10% or more of our stock (by vote or value), investors that will hold their ADSs or ordinary shares as part of a straddle, hedge, conversion, constructive sale, or other integrated transaction for United States federal income tax purposes, investors required to accelerate the recognition of any item of gross income with respect to our ADSs or ordinary shares as a result of such income being recognized on an applicable financial statement or investors that have a functional currency other than the United States dollar, all of whom may be subject to tax rules that differ significantly from those summarized below. In addition, this discussion does not discuss any non-United States, alternative minimum tax, state, or local tax considerations, or the Medicare tax on net investment income. Each U.S. holder is urged to consult its tax advisors regarding the United States federal, state, local, and non-United States income and other tax considerations of an investment in our ADSs or ordinary shares.

General

For purposes of this discussion, a "U.S. holder" is a beneficial owner of our ADSs or ordinary shares that is, for United States federal income tax purposes, (i) an individual who is a citizen or resident of the United States, (ii) a corporation (or other entity treated as a corporation for United States federal income tax purposes) created in, or organized under the laws of, the United States or any state thereof or the District of Columbia, (iii) an estate the income of which is subject to United States federal income taxation regardless of its source, or (iv) a trust (A) the administration of which is subject to the primary supervision of a United States court and which has one or more United States persons who have the authority to control all substantial decisions of the trust or (B) that has otherwise elected to be treated as a United States person under applicable United States Treasury regulations.

If a partnership (or other entity treated as a partnership for United States federal income tax purposes) is a beneficial owner of our ADSs or ordinary shares, the tax treatment of a partner in the partnership will generally depend upon the status of the partner and the activities of the partnership. Partnerships holding our ADSs or ordinary shares and partners in such partnerships are urged to consult their tax advisors as to the particular United States federal income tax consequences of an investment in our ADSs or ordinary shares.

For United States federal income tax purposes, a U.S. holder of ADSs will generally be treated as the beneficial owner of the underlying shares represented by the ADSs. The remainder of this discussion assumes that a U.S. holder of our ADSs will be treated in this manner. Accordingly, deposits or withdrawals of ordinary shares for ADSs will generally not be subject to United States federal income tax.

Passive Foreign Investment Company Considerations

A non-United States corporation, such as our company, will be a "passive foreign investment company," or "PFIC," for United States federal income tax purposes, if, in any particular taxable year, either (i) 75% or more of its gross income for such year consists of certain types of "passive" income or (ii) 50% or more of the average quarterly value of its assets (as determined on the basis of fair market value) during such year produce or are held for the production of passive income. Cash is categorized as a passive asset and the company's unbooked intangibles associated with active business activities may generally be classified as active assets. Passive income generally includes, among other things, dividends, interest, rents, royalties, and gains from the disposition of passive assets. We will be treated as owning a proportionate share of the assets and earning a proportionate share of the income of any other corporation in which we own, directly or indirectly, at least 25% (by value) of the stock.

Although the law in this regard is unclear, we intend to treat Heng Cheng and Yi Ren Wealth Management as being owned by us for United States federal income tax purposes, not only because we exercise effective control over the operation of such entities but also because we are entitled to substantially all of their economic benefits, and, as a result, we consolidate their results of operations in our consolidated financial statements. Assuming that we are the owner of Heng Cheng and Yi Ren Wealth Management for United States federal income tax purposes, we do not believe that we were a PFIC for the taxable year ended December 31, 2018 and do not anticipate becoming a PFIC in the foreseeable future. Although we do not believe that we were a PFIC for the taxable year ended December 31, 2018 and do not anticipate becoming a PFIC in the foreseeable future, the determination of whether we are or will become a PFIC will depend in part upon the value of our goodwill and other unbooked intangibles (which will depend upon the market value of our ADSs or ordinary shares from time-to-time, which may be volatile). In estimating the value of our goodwill and other unbooked intangibles, we have taken into account our market capitalization. It is also possible that the IRS may challenge our classification or valuation of our goodwill and other unbooked intangibles, which may result in our company being or becoming a PFIC for the current or one or more future taxable years.

In addition, if we were treated as not owning Heng Cheng and Yi Ren Wealth Management for United States federal income tax purposes, our risk of being classified as a PFIC may substantially increase. Because our PFIC status for any taxable year is a factual determination that can be made only after the close of a taxable year, there can be no assurance that we will not be a PFIC for the current taxable year or any future taxable year. If we are a PFIC for any year during which a U.S. holder holds our ADSs or ordinary shares, we generally would continue to be treated as a PFIC for all succeeding years during which such U.S. holder holds our ADSs or ordinary shares.

The discussion below under "Dividends" and "Sale or Other Disposition of ADSs or Ordinary Shares" is written on the basis that we will not be or become a PFIC for United States federal income tax purposes. The United States federal income tax rules that apply if we are a PFIC for the current taxable year or any subsequent taxable year are generally discussed below under "Passive Foreign Investment Company Rules."

Dividends

Subject to the PFIC rules discussed below, any cash distributions (including the amount of any tax withheld) paid on our ADSs or ordinary shares out of our current or accumulated earnings and profits, as determined under United States federal income tax principles, will generally be includible in the gross income of a U.S. holder as dividend income on the day actually or constructively received by the U.S. holder, in the case of ordinary shares, or by the depositary, in the case of ADSs. Because we do not intend to determine our earnings and profits on the basis of United States federal income tax principles, any distribution paid will generally be reported as a "dividend" for United States federal income tax purposes. A non-corporate recipient of dividend income will generally be subject to tax on dividend income from a "qualified foreign corporation" at a reduced United States federal tax rate rather than the marginal tax rates generally applicable to ordinary income provided that certain holding period requirements are met.

A non-United States corporation (other than a corporation that is a PFIC for the taxable year in which the dividend is paid or the preceding taxable year) will generally be considered to be a qualified foreign corporation (a) if it is eligible for the benefits of a comprehensive tax treaty with the United States which the Secretary of Treasury of the United States determines is satisfactory for purposes of this provision and which includes an exchange of information program, or (b) with respect to any dividend it pays on stock (or ADSs in respect of such stock) which is readily tradable on an established securities market in the United States. Our ADSs are listed on the NYSE, and thus we believe that we are a qualified foreign corporation with respect to dividends paid on the ADSs. Since we do not expect that our ordinary shares will be listed on established securities markets, we do not believe that dividends that we pay on our ordinary shares that are not represented by ADSs currently meet the conditions required for the reduced tax rate. There can be no assurance that our ADSs will continue to be considered readily tradable on an established securities market in the United States in later years. In the event we are deemed to be a resident enterprise under the PRC Enterprise Income Tax Law, we may be eligible for the benefits of the United States-PRC income tax treaty (which the U.S. Treasury Department has determined is satisfactory for this purpose) and in that case we would be treated as a qualified foreign corporation with respect to dividends paid on our ordinary shares or ADSs. Each non-corporate U.S. holder is advised to consult its tax advisors regarding the availability of the reduced tax rate applicable to qualified dividend income for any dividends we pay with respect to our ADSs or ordinary shares. Dividends received on the ADSs or ordinary shares will not be eligible for the dividends received deduction allowed to corporations.

Dividends will generally be treated as income from foreign sources for United States foreign tax credit purposes and will generally constitute passive category income. In the event that we are deemed to be a PRC "resident enterprise" under the Enterprise Income Tax Law, a U.S. holder may be subject to PRC withholding taxes on dividends paid on our ADSs or ordinary shares. (See "Taxation—People's Republic of China Taxation") In that case, a U.S. holder may be eligible, subject to a number of complex limitations, to claim a foreign tax credit in respect of any non-refundable foreign withholding taxes imposed on dividends received on ADSs or ordinary shares. A U.S. holder who does not elect to claim a foreign tax credit for foreign tax withheld may instead claim a deduction, for United States federal income tax purposes, in respect of such withholdings, but only for a year in which such U.S. holder elects to do so for all creditable foreign income taxes. The rules governing the foreign tax credit are complex. U.S. holders are advised to consult their tax advisors regarding the availability of the foreign tax credit under their particular circumstances.

Sale or Other Disposition of ADSs or Ordinary Shares

Subject to the PFIC rules discussed below, a U.S. holder will generally recognize capital gain or loss upon the sale or other disposition of ADSs or ordinary shares in an amount equal to the difference between the amount realized upon the disposition and the U.S. holder's adjusted tax basis in such ADSs or ordinary shares. Any capital gain or loss will be long-term if the ADSs or ordinary shares have been held for more than one year and will generally be United States source gain or loss for United States foreign tax credit purposes. Long-term capital gain of non-corporate U.S. holders is generally eligible for a reduced rate of taxation. The deductibility of a capital loss may be subject to limitations. In the event that we are treated as a PRC "resident enterprise" under the Enterprise Income Tax Law and gain from the disposition of the ADSs or ordinary shares is subject to tax in the PRC, a U.S. holder that is eligible for the benefits of the income tax treaty between the United States and the PRC may elect to treat the gain as PRC source income. If such gain is not treated as PRC source income, however, a U.S. holder generally will not be able to obtain a U.S. foreign tax credit for any PRC tax withheld or imposed unless such U.S. holder has other foreign source income in the appropriate category for the applicable tax year. U.S. holders are advised to consult their tax advisors regarding the tax consequences if a foreign tax is imposed on a disposition of our ADSs or ordinary shares, including the availability of the foreign tax credit under their particular circumstances and the election to treat any gain as PRC source.

Passive Foreign Investment Company Rules

If we are a PFIC for any taxable year during which a U.S. holder holds our ADSs or ordinary shares, and unless the U.S. holder makes a mark-to-market election (as described below), the U.S. holder will generally be subject to special tax rules that have a penalizing effect, regardless of whether we remain a PFIC, for subsequent taxable years, on (i) any excess distribution that we make to the U.S. holder (which generally means any distribution paid during a taxable year to a U.S. holder that is greater than 125% of the average annual distributions paid in the three preceding taxable years or, if shorter, the U.S. holder's holding period for the ADSs or ordinary shares), and (ii) any gain realized on the sale or other disposition, including, under certain circumstances, a pledge, of ADSs or ordinary shares. Under the PFIC rules:

- such excess distribution and/or gain will be allocated ratably over the U.S. holder's holding period for the ADSs or ordinary shares;
- such amount allocated to the current taxable year and any taxable years in the U.S. holder's holding period prior to the first taxable year in which we are a PFIC, or pre-PFIC year, will be taxable as ordinary income;
- such amount allocated to each prior taxable year, other than a pre-PFIC year, will be subject to tax at the highest tax rate in effect for that year; and
- an interest charge generally applicable to underpayments of tax will be imposed on the tax attributable to each prior taxable year, other than a pre-PFIC year.

If we are a PFIC for any taxable year during which a U.S. holder holds our ADSs or ordinary shares and any of our non-United States subsidiaries is also a PFIC, such U.S. holder would be treated as owning a proportionate amount (by value) of the shares of the lower-tier PFIC for purposes of the application of these rules. U.S. holders are advised to consult their tax advisors regarding the application of the PFIC rules to any of our subsidiaries.

As an alternative to the foregoing rules, a U.S. holder of "marketable stock" in a PFIC may make a mark-to-market election for such stock to elect out of the tax treatment described above. "Marketable stock" is stock that is traded in other than de minimis quantities on at least 15 days during each calendar quarter ("regularly traded") on a qualified exchange or other market, as defined in applicable Treasury regulations. Our ADSs are listed on the NYSE, which is a qualified exchange for these purposes. Therefore, if we are or were to become a PFIC, a U.S. holder generally will be eligible to make a mark-to-market election with respect to our ADSs, provided that the ADSs are regularly traded.

If a mark-to-market election is made, the U.S. 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 the excess, if any, of the adjusted tax basis of the ADSs over the fair market value of such ADSs held at the end of the taxable year, but only to the extent of the net amount previously included in income as a result of the mark-to-market election. The U.S. holder's adjusted tax basis in the ADSs would be adjusted to reflect any income or loss resulting from the mark-to-market election. If a U.S. holder makes an effective mark-to-market election, in each year that we are a PFIC any gain recognized upon the sale or other disposition of the ADSs will be treated as ordinary income and loss will be treated as ordinary loss, but only to the extent of the net amount previously included in income as a result of the mark-to-market election. If a U.S. holder makes a mark-to-market election it will be effective for the taxable year for which the election is made and all subsequent taxable years unless the ADSs are no longer treated as marketable stock or the IRS consents to the revocation of the election. It should also be noted that it is intended that only the ADSs and not the ordinary shares will be listed on the NYSE. Consequently, if a U.S. holder holds ordinary shares that are not represented by ADSs, such holder generally will not be eligible to make a mark-to-market election if we are or were to become a PFIC. If a U.S. holder makes a mark-to-market election in respect of a PFIC and such corporation ceases to be a PFIC, the U.S. holder will not be required to take into account the mark-to-market gain or loss described above during any period that such corporation is not a PFIC.

Because a mark-to-market election cannot be made for any lower-tier PFICs that a PFIC may own, a U.S. holder who makes a mark-to-market election with respect to our ADSs may continue to be subject to the general PFIC rules with respect to such U.S. holder's indirect interest in any of our non-United States subsidiaries if any of them is a PFIC.

We do not intend to provide information necessary for U.S. holders to make qualified electing fund elections, which, if available, would result in tax treatment different from the general tax treatment for PFICs described above.

As discussed above under "Dividends," dividends that we pay on our ADSs or ordinary shares will not be eligible for the reduced tax rate that applies to qualified dividend income if we are a PFIC for the taxable year in which the dividend is paid or the preceding taxable year. In addition, if a U.S. holder owns our ADSs or ordinary shares during any taxable year that we are a PFIC, such holder would generally be required to file an annual IRS Form 8621. Each U.S. holder is advised to consult its tax advisors regarding the potential tax consequences to such holder if we are or become a PFIC, including the possibility of making a mark-to-market election.

Information Reporting

Certain U.S. holders may be required to report information to the IRS relating to an interest in "specified foreign financial assets," including shares issued by a non-United States corporation, for any year in which the aggregate value of all specified foreign financial assets exceeds US$50,000 (or a higher dollar amount prescribed by the IRS), subject to certain exceptions (including an exception for shares held in custodial accounts maintained with a United States financial institution). These rules also impose penalties if a U.S. holder is required to submit such information to the IRS and fails to do so.

In addition, U.S. holders may be subject to information reporting to the IRS with respect to dividends on and proceeds from the sale or other disposition of our ADSs or ordinary shares. Each U.S. holder is advised to consult with its tax advisor regarding the application of the United States information reporting rules to their particular circumstances.

F. Dividends and Paying Agents

Not applicable.

G. Statement by Experts

Not applicable.

H. Documents on Display

We previously filed with the SEC our registration statement on Form F-1 (Registration No. 333-208056), 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. 333-208437) to register our ADSs.

We are subject to periodic reporting and other informational requirements of the Exchange Act as applicable to foreign private issuers, and are required to file reports and other information with the SEC. Specifically, we are required to file annually an annual report on Form 20-F within four months after the end of each fiscal year, which is December 31. All information filed with the SEC can be obtained over the internet at the SEC's website at www.sec.gov or inspected and copied at the public reference facilities maintained by the SEC at 100 F Street, N.E., Washington, D.C. 20549. You can request copies of documents, upon payment of a duplicating fee, by writing to the SEC. As a foreign private issuer, we are exempt 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 Deutsche Bank Trust Company Americas, the depositary of our ADSs, with our annual reports, which will include a review of operations and annual audited consolidated financial statements prepared in conformity with U.S. GAAP, and all notices of shareholders' meetings and other reports and communications that are made generally available to our shareholders. The depositary will make such notices, reports and communications available to holders of ADSs and, upon our request, will mail to all record holders of ADSs the information contained in any notice of a shareholders' meeting received by the depositary from us.

I. Subsidiary Information

Not applicable.

Item 11. Quantitative and Qualitative Disclosures about Market Risk

Foreign Exchange Risk

All of our revenues and substantially all of our expenses are denominated in RMB. Our reporting currency was the U.S. dollar prior to April 1, 2016. In our consolidated financial statements prepared before April 1, 2016, our financial information that used RMB as the functional currency had been translated into U.S. dollars. Effective from April 1, 2016, we changed our reporting currency from U.S. dollar to RMB. Due to foreign currency translation adjustments, we had a foreign currency translation adjustment of a gain of RMB29.4 million, a loss of RMB18.0 million and a gain of RMB7.7 million (US$1.1 million) in 2016, 2017 and 2018, respectively. Appreciation or depreciation in the value of the RMB relative to the U.S. dollar would affect our financial results reported in U.S. dollar terms without giving effect to any underlying change in our business or results of operations.

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 in general our exposure to foreign exchange risks should be limited, the value of your investment in our ADSs will be affected by the exchange rate between U.S. dollar and RMB because the value of our business is effectively denominated in RMB, while our ADSs will be traded in U.S. dollars.

The conversion of RMB into foreign currencies, including U.S. dollars, is based on rates set by the PBOC. The PRC government allowed the RMB to appreciate by more than 20% against the U.S. dollar between July 2005 and July 2008. Between July 2008 and June 2010, the exchange rate between the RMB and the U.S. dollar had been stable and traded within a narrow band. Since June 2010, the RMB has fluctuated against the U.S. dollar, at times significantly and unpredictably. On November 30, 2015, the Executive Board of the International Monetary Fund (IMF) completed the regular five-year review of the basket of currencies that make up the Special Drawing Right, or the SDR, and decided that with effect from 1 October 2016, Renminbi is determined to be a freely usable currency and will be included in the SDR basket as a fifth currency, along with the U.S. dollar, the Euro, the Japanese yen and the British pound. In the fourth quarter of 2016, the RMB has depreciated significantly in the backdrop of a surging U.S. dollar and persistent capital outflows of China. It is difficult to predict how long the current situation may last and when and how the relationship between the RMB and the U.S. dollar may change again.

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

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. However, we cannot provide assurance that we will not be exposed to material risks due to changes in market interest rate in the future. We currently invest our cash 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.

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

As an ADS holder, you 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 your ADSs):

Service	Fees
• To any person to which ADSs are issued or to any person to which a distribution is made in respect of ADS distributions pursuant to stock dividends or other free distributions of stock, bonus distributions, stock splits or other distributions (except where converted to cash)	Up to US$0.05 per ADS issued
• Cancellation of ADSs, including the case of termination of the deposit agreement	Up to US$0.05 per ADS cancelled
• Distribution of cash dividends	Up to US$0.05 per ADS held
• Distribution of cash entitlements (other than cash dividends) and/or cash proceeds from the sale of rights, securities and other entitlements	Up to US$0.05 per ADS held
• Distribution of ADSs pursuant to exercise of rights.	Up to US$0.05 per ADS held
• Distribution of securities other than ADSs or rights to purchase additional ADSs	Up to US$0.05 per ADS held
• Depositary services	Up to US$0.05 per ADS held on the applicable record date(s) established by the depositary bank

As an ADS holder, you will also be responsible to pay certain fees and expenses incurred by 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 your ADSs) such as:

- Fees for the transfer and registration of ordinary shares charged by the registrar and transfer agent for the ordinary shares in Cayman Islands (i.e., upon deposit and withdrawal of ordinary shares).
- Expenses incurred for converting foreign currency into U.S. dollars.
- Expenses for cable, telex and fax transmissions and for delivery of securities.
- Taxes and duties upon the transfer of securities, including any applicable stamp duties, any stock transfer charges or withholding taxes (i.e., when ordinary shares are deposited or withdrawn from deposit).
- Fees and expenses incurred in connection with the delivery or servicing of ordinary shares on deposit.
- Fees and expenses incurred in connection with complying with exchange control regulations and other regulatory requirements applicable to ordinary shares, deposited securities, ADSs and ADRs.
- Any applicable fees and penalties thereon.

The depositary fees payable upon the issuance and cancellation of ADSs are typically paid to the depositary bank by the brokers (on behalf of their clients) receiving the newly issued ADSs from the depositary bank and by the brokers (on behalf of their clients) delivering the ADSs to the depositary bank for cancellation. The brokers in turn charge these fees to their clients. Depositary fees payable in connection with distributions of cash or securities to ADS holders and the depositary services fee are charged by the depositary bank to the holders of record of ADSs as of the applicable ADS record date.

The depositary fees payable for cash distributions are generally deducted from the cash being distributed or by selling a portion of distributable property to pay the fees. In the case of distributions other than cash (i.e., share dividends, rights), the depositary bank charges the applicable fee to the ADS record date holders concurrent with the distribution. In the case of ADSs registered in the name of the investor (whether certificated or uncertificated in direct registration), the depositary bank sends invoices to the applicable record date ADS holders. In the case of ADSs held in brokerage and custodian accounts (via DTC), the depositary bank generally collects its fees through the systems provided by DTC (whose nominee is the registered holder of the ADSs held in DTC) from the brokers and custodians holding ADSs in their DTC accounts. The brokers and custodians who hold their clients' ADSs in DTC accounts in turn charge their clients' accounts the amount of the fees paid to the depositary banks.

In the event of refusal to pay the depositary fees, the depositary bank may, under the terms of the deposit agreement, refuse the requested service until payment is received or may set off the amount of the depositary fees from any distribution to be made to the ADS holder.

Fees and Other Payments Made by the Depositary to Us

The depositary has agreed to pay certain amounts to us in exchange for its appointment as depositary. We may use these funds towards our expenses relating to the establishment and maintenance of the ADR program, including investor relations expenses, or otherwise as we see fit. The depositary may pay us a fixed amount, it may pay us a portion of the fees collected by the depositary from holders of ADSs, and it may pay specific expenses incurred by us in connection with the ADR program. Neither the depositary nor we may be able to determine the aggregate amount to be paid to us because (i) the number of ADSs that will be issued and outstanding and the level of dividend and/or servicing fees to be charged may vary, and (ii) our expenses related to the program may not be known at this time. For the year ended December 31, 2018, we did not receive reimbursement from the depositary.

PART II

Item 13. Defaults, Dividend Arrearages and Delinquencies

None.

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

See "Item 10. Additional Information—B. Memorandum and Articles of Association—Ordinary Shares" for a description of the rights of securities holders, which remain unchanged.

The following "Use of Proceeds" information relates to the registration statement on Form F-1 (File No. 333-208056), as amended, in relation to our initial public offering, which was declared effective by the SEC on December 17, 2015. In December 2015, we completed our initial public offering in which we issued and sold an aggregate of 7,500,000 ADSs, representing 15,000,000 ordinary shares, resulting in net proceeds to us of approximately US$64.9 million. Morgan Stanley & Co. International plc, Credit Suisse Securities (USA) LLC and China Renaissance Securities (Hong Kong) Limited were the representatives of the underwriters for our initial public offering. The total underwriting discounts and commissions relating to the initial public offering amounted to approximately US$5.9 million.

For the period from December 17, 2015, the date that the F-1 Registration Statement was declared effective by the SEC, to December 31, 2018, we used US$36,929 in the net proceeds from our initial public offering for repurchasing ADSs from the open market.

We intend to use the proceeds from our initial public offering, as disclosed in our registration statements on Form F-1, for (i) general corporate purposes, including investments in product development, sales and marketing activities, technology infrastructure, capital expenditure, improvement of corporate facilities and other general and administrative matters, and (ii) acquisition of, or investment in, technologies, solutions or business that complement our business.

Item 15. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Our management, with the participation of our chief executive officer and co-chief financial officers, 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 has concluded that, as of December 31, 2018, our disclosure controls and procedures were effective in ensuring that the information required to be disclosed by us in the reports that we file and furnish under the Exchange Act was recorded, processed, summarized and reported, within the time periods specified in the SEC's rules and forms, and that the information required to be disclosed by us in the reports that we file or submit under the Exchange Act is accumulated and communicated to our management, including our chief executive officer and co-chief financial officers, to allow timely decisions regarding required disclosure.

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 management evaluated the effectiveness of our internal control over financial reporting, 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 effective as of December 31, 2018.

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.

Changes in Internal Control over Financial Reporting

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 Mr. Sam Hanhui Sun, an independent director (under the standards set forth under Section 303A of the Corporate Governance Rules of the New York Stock Exchange 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 September 2015. We have posted a copy of our code of business conduct and ethics on our website at http://yirendai.investorroom.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 Deloitte Touche Tohmatsu Certified Public Accountants LLP, our principal external auditors, for the periods indicated.

	2017	2018
	RMB	RMB
	(in thousands)	
Audit fees[1]	9,419	8,710
Tax fees[2]	1,021	140

(1) "Audit fees" represents the aggregate fees billed and expected to be billed for each of the fiscal years listed for professional services rendered by our principal accounting firm for the audit of our annual financial statements and/or services that are normally provided by the auditors in connection with statutory and regulatory filings or engagements.

(2) "Tax fees" represents the aggregate fees billed for professional services rendered by our principal accounting firm for tax compliance, tax advice and tax planning.

The policy of our audit committee is to pre-approve all audit and non-audit services provided by Deloitte Touche Tohmatsu Certified Public Accountants 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

In June 2018, our board of directors approved a share repurchase program, whereby we are authorized to repurchase up to US$20 million of our ordinary shares in the form of ADSs. The share repurchase program was publicly announced on June 11, 2018. The table below sets forth a summary of the ADSs repurchased by us as of December 31, 2018.

Period	Total Number of ADSs Purchased	Average Price Paid Per ADS (US$)	Total Number of ADSs Purchased as Part of Publicly Announced Plan	Approximate Dollar Value of ADSs that May Yet Be Purchased Under the Plan (US$)
July 2018	2,000	18.4647	2,000	19,963,071
Total	2,000	18.4647	2,000	19,963,071

Item 16F. Change in Registrant's Certifying Accountant

Not applicable.

Item 16G. Corporate Governance

As a Cayman Islands company listed on the NYSE, we are subject to the NYSE corporate governance listing standards. As of March 31, 2019, CreditEase held more than 50% of our total voting power. As a result, we are a "controlled company" under Section 303A of the NYSE Listed Company Manual. As a controlled company, we rely on certain exemptions that are available to controlled companies from the NYSE corporate governance requirements, including the requirement that a majority of our board of directors consist of independent directors.

In addition, NYSE 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 NYSE corporate governance listing standards. We rely on the exemption available to foreign private issuers for the requirements in terms of (i) shareholder approval of equity compensation plans and any material revisions to the terms of such plans under Section 303A.08 of the NYSE Listed Company Manual and (ii) shareholder approval of issuance of common stock in any transaction or series of related transactions under Section 312.03 of the NYSE Listed Company Manual. As a result of our election to follow home country practice with respect to the foregoing matters, our shareholders will not have the same protection that they otherwise would enjoy under the NYSE corporate governance listing standards applicable to U.S. domestic issuers. See "Item 3. Key Information—D. Risk Factors—Risks Related to Our American Depositary Shares—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 NYSE corporate governance listing standards; these practices may afford less protection to shareholders than they would enjoy if we complied fully with the NYSE corporate governance listing standards." Other than the home country practice disclosed above, we have followed and intend to continue to follow the applicable corporate governance standards under the NYSE Listed Company Manual.

Item 16H. Mine Safety Disclosure

Not applicable.

PART III

Item 17. Financial Statements

We have elected to provide financial statements pursuant to Item 18.

Item 18. Financial Statements

The consolidated financial statements of Yirendai Ltd., its subsidiaries and its consolidated variable interest entities are included at the end of this annual report.

Item 19. Exhibits

Exhibit Number	Description of Document
1.1	Memorandum and Articles of Association of the Registrant (incorporated herein by reference to Exhibit 3.2 to the registration statement on Form F-1 (File No. 333-208056), as amended, initially filed with the Securities and Exchange Commission on November 16, 2015)
2.1	Registrant's Specimen American Depositary Receipt (incorporated herein by reference to Exhibit 4.3 to the registration statement on Form F-1 (File No. 333-208056), as amended, initially filed with the Securities and Exchange Commission on November 16, 2015)
2.2	Registrant's Specimen Certificate for Ordinary Shares (incorporated herein by reference to Exhibit 4.2 to the registration statement on Form F-1 (File No. 333-208056), as amended, initially filed with the Securities and Exchange Commission on November 16, 2015)
2.3	Deposit Agreement dated December 18, 2015 among the Registrant, the depositary and holders of the American Depositary Receipts (incorporated herein by reference to Exhibit 4.3 to the registration statement on Form S-8, as amended (File No. 333-212056) filed with the Securities and Exchange Commission on June 16, 2016)
4.1	2015 Share Incentive Plan (incorporated herein by reference to Exhibit 10.13 to the registration statement on Form F-1 (File No. 333-208056), as amended, initially filed with the Securities and Exchange Commission on November 16, 2015)
4.2	2017 Share Incentive Plan (incorporated herein by reference to Exhibit 10.1 to the registration statement on Form S-8 (File No. 333-219404), filed with the Securities and Exchange Commission on July 21, 2017)
4.3	Form of Employment Agreement between the Registrant and its executive officers (incorporated herein by reference to Exhibit 10.1 to the registration statement on Form F-1 (File No. 333-208056), as amended, initially filed with the Securities and Exchange Commission on November 16, 2015)

Exhibit Number	Description of Document
4.4	Form of Director Agreement between the Registrant and its independent directors (incorporated herein by reference to Exhibit 10.14 to the registration statement on Form F-1 (File No. 333-208056), as amended, initially filed with the Securities and Exchange Commission on November 16, 2015)
4.5	Form of Indemnification Agreement between the Registrant and its directors and executive officers (incorporated herein by reference to Exhibit 10.2 to the registration statement on Form F-1 (File No. 333-208056), as amended, initially filed with the Securities and Exchange Commission on November 16, 2015)
4.6	Master Transaction Agreement between CreditEase Holdings (Cayman) Limited and Yirendai Ltd. dated November 9, 2015 (incorporated herein by reference to Exhibit 10.3 to the registration statement on Form F-1 (File No. 333-208056), as amended, initially filed with the Securities and Exchange Commission on November 16, 2015)
4.7*	Amended and Restated Transitional Services Agreement between CreditEase Holdings (Cayman) Limited and Yirendai Ltd. dated March 25, 2019
4.8*	Amended and Restated Non-Competition Agreement between CreditEase Holdings (Cayman) Limited and Yirendai Ltd. dated March 25, 2019
4.9*	Amended and Restated Cooperation Framework Agreement between CreditEase Holdings (Cayman) Limited and Yirendai Ltd. dated March 25, 2019
4.10*	Amended and Restated Intellectual Property License Agreement between CreditEase Holdings (Cayman) Limited and Yirendai Ltd. dated March 25, 2019
4.11	English translation of Loan Agreements between Heng Ye and the shareholders of Heng Cheng dated February 22, 2015 (incorporated herein by reference to Exhibit 10.8 to the registration statement on Form F-1 (File No. 333-208056), as amended, initially filed with the Securities and Exchange Commission on November 16, 2015)
4.12	English translation of Equity Interest Pledge Agreements among Heng Ye, Heng Cheng and the shareholders of Heng Cheng dated February 22, 2015 (incorporated herein by reference to Exhibit 10.9 to the registration statement on Form F-1 (File No. 333-208056), as amended, initially filed with the Securities and Exchange Commission on November 16, 2015)
4.13	English translation of Powers of Attorney granted to Heng Ye by the shareholders of Heng Cheng dated February 22, 2015 (incorporated herein by reference to Exhibit 10.10 to the registration statement on Form F-1 (File No. 333-208056), as amended, initially filed with the Securities and Exchange Commission on November 16, 2015)
4.14	English translation of Exclusive Business Cooperation Agreement between Heng Ye and Heng Cheng dated February 22, 2015 (incorporated herein by reference to Exhibit 10.11 to the registration statement on Form F-1 (File No. 333-208056), as amended, initially filed with the Securities and Exchange Commission on November 16, 2015)
4.15	English translation of Exclusive Option Agreement among Heng Ye, Heng Cheng and the shareholders of Heng Cheng dated February 22, 2015 (incorporated herein by reference to Exhibit 10.12 to the registration statement on Form F-1 (File No. 333-208056), as amended, initially filed with the Securities and Exchange Commission on November 16, 2015)
4.16	Subscription Agreement between the Registrant and Baidu (Hong Kong) Limited dated as of December 14, 2015 (incorporated herein by reference to Exhibit 10.15 to the registration statement on Form F-1 (File No. 333-208056), as amended, initially filed with the Securities and Exchange Commission on November 16, 2015)

Exhibit Number	Description of Document
4.17*	Amended and Restated Loan Agreements between Heng Yu Da and the shareholders of Yi Ren Wealth Management dated May 17, 2018
4.18*	Amended and Restated Equity Interest Pledge Agreements among Heng Yu Da, Yi Ren Wealth Management and the shareholders of Yi Ren Wealth Management dated May 17, 2018
4.19*	Powers of Attorney granted to Heng Yu Da by the shareholders of Yi Ren Wealth Management dated May 17, 2018
4.20	Exclusive Business Cooperation Agreement between Heng Yu Da and Yi Ren Wealth Management dated October 13, 2016 (incorporated herein by reference to Exhibit 4.19 to the Company's Report on Form 20-F (File No. 001-37657), filed with the Securities and Exchange Commission on April 24, 2017)
4.21*	Amended and Restated Exclusive Option Agreement among Heng Yu Da, Yi Ren Wealth Management and the shareholders of Yi Ren Wealth Management dated May 17, 2018
4.22*	Loan Agreements between Heng Ye and the shareholders of Pu Hui dated March 25, 2019
4.23*	Equity Interest Pledge Agreements among Heng Ye, Pu Hui and the shareholders of Pu Hui dated March 25, 2019
4.24*	Powers of Attorney granted to Heng Ye by the shareholders of Pu Hui dated March 25, 2019
4.25*	Exclusive Business Cooperation Agreement between Heng Ye and Pu Hui dated March 25, 2019
4.26*	Exclusive Option Agreement among Heng Ye, Pu Hui and the shareholders of Pu Hui dated March 25, 2019
4.27*	Spousal Consent Letter by the spouse of a shareholder of Pu Hui dated March 25, 2019
4.28*	Loan Agreements between Heng Ye and the shareholders of Hui Min dated March 25, 2019
4.29*	Equity Interest Pledge Agreements among Heng Ye, Hui Min and the shareholders of Hui Min dated March 25, 2019
4.30*	Powers of Attorney granted to Heng Ye by the shareholders of Hui Min dated March 25, 2019
4.31*	Exclusive Business Cooperation Agreement between Heng Ye and Hui Min dated March 25, 2019
4.32*	Exclusive Option Agreement among Heng Ye, Hui Min and the shareholders of Hui Min dated March 25, 2019
4.33*	Spousal Consent Letters by the spouses of the shareholders of Hui Min dated March 25, 2019
4.34*	Share Subscription Agreement between Yirendai Ltd. and CreditEase Holdings (Cayman) Limited dated March 25, 2019
8.1*	List of Subsidiaries and Consolidated Variable Interest Entities
11.1	Code of Business Conduct and Ethics of the Registrant (incorporated herein by reference to Exhibit 99.1 to the registration statement on Form F-1 (File No. 333-208056), as amended, initially filed with the Securities and Exchange Commission on November 16, 2015)

Exhibit Number	Description of Document
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 Han Kun Law Offices
15.2*	Consent of Deloitte Touche Tohmatsu Certified Public Accountants LLP
101.INS*	XBRL Instance Document
101.SCH*	XBRL Taxonomy Extension Schema Document
101.CAL*	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF*	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB*	XBRL Taxonomy Extension Label Linkbase Document
101.PRE*	XBRL Taxonomy Extension Presentation Linkbase Document

* Filed herewith

** Furnished herewith

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.

Yirendai Ltd.

By: /s/ Ning Tang
Name: Ning Tang
Title: Executive Chairman of the Board of Directors

Date: April 29, 2019

YIRENDAI LTD.

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

YIRENDAI LTD.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Stockholders and the Board of Directors of Yirendai Ltd.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Yirendai Ltd. (the "Company" and its subsidiaries and variable interest entities, collectively referred to as the "Group") as of December 31, 2018 and 2017, the related consolidated statements of operations, comprehensive income, changes in equity, and cash flows, for each of the three years in the period ended December 31, 2018, and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Group as of December 31, 2018 and 2017, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2018, in conformity with accounting principles generally accepted in the United States of America.

Convenience translation

As discussed in Note 2, the Company changed its reporting currency from United States dollar to Renminbi effective April 1, 2016. Our audits also comprehended the translation of Renminbi amounts into United States dollar amounts and, in our opinion, such translation has been made in conformity with the basis stated in Note 2. Such United States dollar amounts are presented solely for the convenience of readers in the United States of America.

Adoption of Accounting Standards Updates

As discussed in Note 2, effective January 1, 2018, the Company changed its method for recognizing revenue as a result of the modified retrospective adoption of Accounting Standards Update (ASU) No. 2014-09, *Revenue from Contracts with Customers (Topic 606)*, as amended.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the 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 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 financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ Deloitte Touche Tohmatsu Certified Public Accountants LLP
Beijing, the People's Republic of China
April 29, 2019
We have served as the Company's auditor since 2015.

YIRENDAI LTD.
CONSOLIDATED BALANCE SHEETS
(Amounts in thousands, except for share and per share data, or otherwise noted)

	December 31, 2017 RMB	December 31, 2018 RMB	December 31, 2018 US$
Assets including amounts of the consolidated assets backed financing entities ("ABFE") (Note 2):			
Cash and cash equivalents	1,857,175	2,028,748	295,069
Restricted cash	1,805,693	102,163	14,859
Accounts receivable	21,368	8,782	1,277
Contract assets, net (net of allowance of nil and RMB534,248 as of December 31, 2017 and 2018, respectively)	—	1,891,438	275,098
Contract cost	—	139,965	20,357
Prepaid expenses and other assets	1,068,990	729,296	106,073
Loans at fair value	791,681	1,075,097	156,366
Amounts due from related parties	117,222	121,464	17,666
Held-to-maturity investments	9,944	315,641	45,908
Available-for-sale investments	963,253	832,465	121,077
Property, equipment and software, net	82,249	89,831	13,065
Deferred tax assets	801,089	184,136	26,781
Total assets	7,518,664	7,519,026	1,093,596
Liabilities including amounts of the variable interest entities ("VIEs") and consolidated assets backed financing entities ("ABFE") without recourse to the Company (Note 2):			
Accounts payable	33,841	30,349	4,414
Amounts due to related parties	76,544	230,656	33,548
Liabilities from quality assurance program and guarantee	2,793,948	9,950	1,447
Deferred revenue	222,906	275,825	40,117
Payable to investors at fair value	113,445	7,693	1,119
Accrued expenses and other liabilities	1,296,650	1,088,372	158,296
Refund liability	—	252,367	36,705
Deferred tax liabilities	11,277	502,903	73,144
Total liabilities	4,548,611	2,398,115	348,790
Commitments and Contingencies (Note 16)			
Equity:			
Ordinary shares (US$0.0001 par value; 500,000,000 shares authorized; 121,343,424 and 123,132,842 shares issued as of December 31, 2017 and 2018, respectively; 121,343,424 and 123,128,842 shares outstanding as of December 31, 2017 and 2018, respectively)	76	77	11
Treasury stock (nil and 4,000 shares as of December 31, 2017 and 2018, respectively)	—	(254)	(37)
Additional paid-in capital	1,123,854	1,293,968	188,200
Accumulated other comprehensive income	11,067	16,390	2,384
Retained earnings	1,835,056	3,810,730	554,248
Total equity	2,970,053	5,120,911	744,806
Total liabilities and equity	7,518,664	7,519,026	1,093,596

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

YIRENDAI LTD.
CONSOLIDATED STATEMENTS OF OPERATIONS
(Amounts in thousands, except for share and per share data, or otherwise noted)

	Year ended December 31,			
	2016	2017	2018	2018
	RMB	RMB	RMB	US$
Net revenue	3,237,991	5,543,350	5,620,728	817,501
Operating costs and expenses:				
Sales and marketing	1,571,038	2,921,236	2,525,876	367,373
Origination and servicing	180,076	417,882	644,303	93,710
General and administrative	320,848	483,796	525,094	76,372
Provision for contingent liability	81,263	43,049	419,581	61,025
Allowance for contract assets	—	—	667,846	97,135
Total operating costs and expenses	(2,153,225)	(3,865,963)	(4,782,700)	(695,615)
Interest income, net	36,843	114,851	71,301	10,370
Fair value adjustments related to Consolidated ABFE	(19,735)	(40,124)	246,284	35,821
Non-operating income, net	575	876	5,279	768
Income before provision for income taxes	1,102,449	1,752,990	1,160,892	168,845
Income taxes benefit/(expense)	13,949	(381,207)	(194,287)	(28,258)
Net income	1,116,398	1,371,783	966,605	140,587
Basic net income per share	9.4418	11.3881	7.9072	1.1501
Weighted average number of ordinary shares outstanding, basic	118,240,414	120,457,573	122,244,231	122,244,231
Diluted net income per share	9.3865	11.2205	7.7771	1.1311
Weighted average number of ordinary shares outstanding, diluted	118,937,082	122,256,838	124,289,103	124,289,103

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

YIRENDAI LTD.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Amounts in thousands, except for share and per share data, or otherwise noted)

	Year ended December 31,			
	2016	2017	2018	2018
	RMB	RMB	RMB	US$
Net income	1,116,398	1,371,783	966,605	140,587
Other comprehensive income/(loss), net of tax of nil:				
Foreign currency translation adjustment	29,356	(17,979)	7,737	1,125
Unrealized losses on available-for-sale investments	—	(411)	(2,414)	(351)
Comprehensive income	1,145,754	1,353,393	971,928	141,361

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

YIRENDAI LTD.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(Amounts in thousands, except for share and per share data, or otherwise noted)

	Ordinary shares			Treasury stock		Additional paid-in capital	Accumulated other comprehensive income	Retained earnings	Total equity
	Issued shares	Outstanding shares	Amount	Shares	Amount				
			RMB		RMB	RMB	RMB	RMB	RMB
Balance as of December 31, 2015	117,000,000	117,000,000	73	—	—	791,841	101	184,927	976,942
Share-based awards provided to employees	291,400	291,400	1	—	—	17,222	—	—	17,223
Share-based awards provided to employees of consolidated group of CreditEase	2,220,900	2,220,900	1	—	—	124,209	—	(124,210)	—
Foreign currency translation adjustment	—	—	—	—	—	—	29,356	—	29,356
Net income	—	—	—	—	—	—	—	1,116,398	1,116,398
Balance as of December 31, 2016	119,512,300	119,512,300	75	—	—	933,272	29,457	1,177,115	2,139,919
Share-based awards provided to employees	560,734	560,734	—	—	—	81,979	—	—	81,979
Share-based awards provided to employees of consolidated group of CreditEase	1,270,390	1,270,390	1	—	—	108,603	—	(108,604)	—
Dividends to shareholders	—	—	—	—	—	—	—	(605,238)	(605,238)
Foreign currency translation adjustment	—	—	—	—	—	—	(17,979)	—	(17,979)
Unrealized losses on available-for-sale investments	—	—	—	—	—	—	(411)	—	(411)
Net income	—	—	—	—	—	—	—	1,371,783	1,371,783
Balance as of December 31, 2017	121,343,424	121,343,424	76	—	—	1,123,854	11,067	1,835,056	2,970,053
Adoption of ASC606	—	—	—	—	—	—	—	1,200,622	1,200,622
Share-based awards provided to employees	688,308	688,308	—	—	—	85,188	—	—	85,188
Share-based awards provided to employees of consolidated group of CreditEase	1,101,110	1,101,110	1	—	—	84,926	—	(84,927)	—
Dividends to shareholders	—	—	—	—	—	—	—	(106,626)	(106,626)
Repurchase of ordinary shares	—	(4,000)	—	4,000	(254)	—	—	—	(254)
Foreign currency translation adjustment	—	—	—	—	—	—	7,737	—	7,737
Unrealized losses on available-for-sale investments	—	—	—	—	—	—	(2,414)	—	(2,414)
Net income	—	—	—	—	—	—	—	966,605	966,605
Balance as of December 31, 2018	123,132,842	123,128,842	77	4,000	(254)	1,293,968	16,390	3,810,730	5,120,911

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

YIRENDAI LTD.

CONSOLIDATED STATEMENTS OF CASH FLOWS
(Amounts in thousands, except for share and per share data, or otherwise noted)

	Year ended December 31,			
	2016	2017	2018	2018
	RMB	RMB	RMB	US$
Cash Flows from Operating Activities:				
Net income	1,116,398	1,371,783	966,605	140,587
Adjustments to reconcile net income to net cash used in operating activities:				
Depreciation and amortization	10,609	23,729	39,434	5,736
Disposal of property, equipment and software	34	(55)	(46)	(7)
Fair value adjustments related to Consolidated ABFE	19,735	40,124	(246,284)	(35,821)
Share-based compensation	17,223	81,979	85,188	12,390
Allowance for contract assets	—	—	667,846	97,135
Changes in operating assets and liabilities				
Accounts receivable	54,412	7,183	12,595	1,832
Change in Consolidated ABFE related asset/liability	3,941	10,724	236,356	34,376
Prepaid expenses and other assets	(220,040)	(595,763)	519,589	75,571
Amounts due from/to related parties	93,152	49,391	149,870	21,798
Accrued expenses and other liabilities	297,817	679,142	(432,693)	(62,933)
Accounts payable	9,192	20,150	(3,492)	(508)
Liabilities from quality assurance program and guarantee	924,668	1,322,948	(2,783,998)	(404,916)
Deferred tax assets/liabilities	(260,540)	(353,410)	669,161	97,325
Deferred revenue	46,834	58,588	(78,088)	(11,357)
Contract assets	—	—	(842,257)	(122,501)
Contract cost	—	—	(32,335)	(4,703)
Refund liability	—	—	252,367	36,705
Net cash provided by /(used in) operating activities	2,113,435	2,716,513	(820,182)	(119,291)
Cash Flows from Investing Activities:				
Purchase of property, equipment and software	(29,973)	(70,551)	(52,220)	(7,595)
Disposal of property, equipment and software	11	140	123	18
Purchase of held-to-maturity investments	(238,917)	(943,212)	(612,501)	(89,085)
Redemption of held-to-maturity investments	170,000	1,031,273	306,804	44,623
Purchase of available-for-sale investments	(1,238,500)	(2,988,777)	(1,266,379)	(184,187)
Proceeds on disposal of available-for-sale investments	80,500	3,181,763	1,398,500	203,403
Investment in preferred shares	—	(2,710)	(3,962)	(576)
Investment in loans at fair value	(299,956)	(752,801)	(1,149,731)	(167,221)
Principal payment of loans at fair value	135,172	270,278	861,994	125,372
Loan to a related party	—	(100,000)	—	—
Loans to third parties	—	—	(277,000)	(40,288)
Principal collection of loans to third parties	—	—	104,929	15,261
Net cash used in investing activities	(1,421,663)	(374,597)	(689,443)	(100,275)
Cash Flows from Financing Activities:				
Proceeds from issuances of ABFE	472,500	197,730	—	—
Principal payments to ABFE	(315,378)	(491,942)	(91,502)	(13,308)
Payments of initial public offering cost	(21,824)	—	—	—
Dividends paid to shareholders	—	(605,238)	(106,626)	(15,508)
Proceeds from transfer of beneficiary rights under repurchase agreement	—	50,000	—	—
Principal payments to financial assets sold under repurchase agreements	—	—	(20,000)	(2,909)
Loan from a third party	—	—	324,000	47,124
Principal payments to a third party	—	—	(131,581)	(19,138)
Repurchase of ordinary shares	—	—	(254)	(37)
Net cash provided by /(used in) financing activities	135,298	(849,450)	(25,963)	(3,776)
Effect of foreign exchange rate changes	29,356	(16,109)	3,631	528
Net increase in cash, cash equivalents and restricted cash	856,426	1,476,357	(1,531,957)	(222,814)
Cash, cash equivalents and restricted cash, beginning of year	1,330,085	2,186,511	3,662,868	532,742
Cash, cash equivalents and restricted cash, end of year	2,186,511	3,662,868	2,130,911	309,928
Supplemental disclosures of cash flow information:				
Income taxes paid, net	65,890	302,188	311,620	45,323
Reconciliation to amounts on consolidated balance sheets:				
Cash and cash equivalents	968,225	1,857,175	2,028,748	295,069
Restricted cash	1,218,286	1,805,693	102,163	14,859

Total cash, cash equivalents, and restricted cash	2,186,511	3,662,868	2,130,911	309,928

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

YIRENDAI LTD.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — continued
FOR THE YEARS ENDED DECEMBER 31, 2016, 2017 AND 2018
(Amounts in thousands, except for share and per share data, or otherwise noted)

1. ORGANIZATION AND PRINCIPAL ACTIVITIES

Yirendai Ltd. (the "Company" or "Yirendai") was incorporated under the laws of the Cayman Islands in September 2014 by CreditEase Holdings (Cayman) Limited ("CreditEase"). CreditEase is engaged in providing services for both online and offline marketplace connecting borrowers and investors as well as wealth management services in People's Republic of China ("PRC") through its subsidiaries and consolidated variable interest entities. The Company, its subsidiaries and consolidated variable interest entities ("VIEs") (collectively referred to as the "Group") provide services for online marketplace connecting borrowers and investors in the PRC.

The Group entered into non-competition arrangement with CreditEase, under which they agreed not to compete with each other's core business. CreditEase agreed not to compete with the Group in a business that is of the same nature as (i) the online consumer finance marketplace business currently conducted or contemplated to be conducted by the Group as of the date of the agreement and (ii) other businesses that the Group and CreditEase may mutually agree from time to time. The Group agreed not to compete with CreditEase in the business conducted by CreditEase, other than (i) the online consumer finance marketplace business operated by the Group as of the date of the agreement and (ii) other businesses that the Group and CreditEase may mutually agree from time to time. Transactions between the Group and CreditEase are referred to as related party transactions.

As of December 31, 2018, the Company's subsidiaries and consolidated VIEs are as follows:

	Date of incorporation/ establishment	Place of incorporation/ establishment	Percentage of legal ownership	Principal activities
Wholly owned subsidiaries				
Yirendai Hong Kong Limited ("Yirendai HK")	October 8, 2014	Hong Kong	100%	Investment holding
Yi Ren Heng Ye Technology Development (Beijing) Co., Ltd. ("Heng Ye")	January 8, 2015	PRC	100%	Provision of consultancy information technology support
Chongqing Heng Yu Da Technology Co., Ltd. ("Heng Yu Da")	March 21, 2016	PRC	100%	Provision of services relating to IT, system maintenance and customer support
Yi Ren Information Consulting (Beijing) Co., Ltd. ("Yi Ren Information")	August 10, 2017	PRC	100%	Provision of borrower acquisition and referral services to institutional funding providers
Chongqing Heng Lang Sheng Technology Co., Ltd. ("Heng Lang Sheng")	May 7, 2018	PRC	100%	Provision of services relating to IT, system maintenance
Chongqing Heng Xin Xin Technology Co., Ltd. ("Heng Xin Xin")	May 7, 2018	PRC	100%	Provision of services relating to IT, system maintenance
Variable interest entities				
Heng Cheng Technology Development (Beijing) Co., Ltd. ("Heng Cheng")	September 15, 2014	PRC	Consolidated VIE	Services for online marketplace connecting borrowers and investors
Huijin No.28 Single Capital Trust E1 ("Trust No.1")	October 16, 2015	PRC	Consolidated VIE	Investment in loans through the Company's platform
Yiren Elite Loan Trust Beneficial Right Asset Backed Special Plan ("ABS plan")	April 22, 2016	PRC	Consolidated VIE	Host of Beneficial Right Asset
Huijin No.28 Single Capital Trust E2 ("Trust No.2")	July 8, 2016	PRC	Consolidated VIE	Investment in loans through the Company's platform
Yiren Financial Information Services (Beijing) Co., Ltd. ("Yi Ren Wealth Management")	October 13, 2016	PRC	Consolidated VIE	Wealth Management Consulting Service
Bohai Trust • Zhong Yi Property Trust No.1 ("Zhong Yi Trust")	April 5, 2017	PRC	Consolidated VIE	Host of Beneficial Right Asset
Huijin No.28 Single Capital Trust E3 ("Trust No.3")	June 27, 2017	PRC	Consolidated VIE	Investment in loans through the Company's platform
Bohai Trust • Yirendai Personal Loan Single Capital Trust ("Bohai Trust No.1")	October 25, 2017	PRC	Consolidated VIE	Investment in loans through the Company's platform
Huijin No.28 Single Capital Trust E4 ("Trust No.4")	January 25, 2018	PRC	Consolidated VIE	Investment in loans through the Company's platform
Huijin No.56 Collective Capital Trust E1 ("Trust No.5")	April 4, 2018	PRC	Consolidated VIE	Investment in loans through the Company's platform
Yi Heng No.1 Property Right Trust ("Yi Heng No.1 Trust")	June 1, 2018	PRC	Consolidated VIE	Host of Beneficial Right Asset

YIRENDAI LTD.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — continued
FOR THE YEARS ENDED DECEMBER 31, 2016, 2017 AND 2018
(Amounts in thousands, except for share and per share data, or otherwise noted)

1. ORGANIZATION AND PRINCIPAL ACTIVITIES — continued

The Company's business is mainly carried out through two PRC operation entities, Heng Cheng and Yi Ren Wealth Management, which were incorporated in the PRC in September 2014 and October 2016, respectively. As the PRC laws and regulations which prohibit or restrict foreign ownership of the companies where the PRC operating licenses are required, the Company, via its wholly-owned subsidiaries in the PRC, Heng Ye and Heng Yu Da, entered into a series of agreements with Heng Cheng and Yi Ren Wealth Management and their shareholders. Consequently, Heng Ye and Heng Yu Da became the primary beneficiary of Heng Cheng and Yi Ren Wealth Management, respectively and consolidates Heng Cheng and Yi Ren Wealth Management (see VIE arrangements in Note 2).

In August 2017, the Group further established another wholly-owned subsidiary, Yi Ren Information, which engages in providing of borrower acquisition and referral services to institutional funding providers.

Starting from 2015, the Group began to expand its investor base from individual investors to institutional investors, who invest in the loans from the Group's platform through a series of arrangements among assets backed financial entities. The Group consolidated such assets backed financial entities if the Group is considered as their primary beneficiary.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The accompanying consolidated financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP).

Basis of consolidation

The accompanying consolidated financial statements include the financial statements of the Company, its wholly-owned subsidiaries, and consolidated VIEs. All inter-company transactions and balances have been eliminated upon consolidation.

VIE Companies

The VIE arrangements

Foreign ownership of internet-based businesses, including distribution of online information (such as an online marketplace connecting borrowers and investors), is subject to restrictions under current PRC laws and regulations. For example, foreign investors are not allowed to own more than 50% of the equity interests in internet-based businesses (except E-Commerce) and any such foreign investor must have experience in providing internet-based businesses services overseas and maintain a good track record in accordance with the Guidance Catalog of Industries for Foreign Investment promulgated in 2007, as amended in 2011 and 2015, respectively, and other applicable laws and regulations. The Company is a Cayman Islands company and Heng Ye and Heng Yu Da (its PRC subsidiaries) are considered foreign invested enterprises. To comply with these regulations, the Company conducts the majority of its activities in PRC through Heng Cheng and Yi Ren Wealth Management (its consolidated VIEs).

The VIEs hold the requisite licenses and permits necessary to conduct the Company's online marketplace business connecting borrowers and investors. Heng Ye and Heng Yu Da (collectively, the "Foreign Owned Subsidiaries" or "FOS") have entered into the following contractual arrangement with Heng Cheng and Yi Ren Wealth Management (collectively the "VIE Companies"), that enable the Company to (1) have power to direct the activities that most significantly affects the economic performance of VIEs, and (2) receive the economic benefits of VIEs that could be significant to VIEs. Accordingly, the Company is considered the primary beneficiary of VIEs and has consolidated VIEs' assets, liabilities, results of operations, and cash flows in the accompanying consolidated financial statements.

Name of Foreign Owned Subsidiaries	Name of VIE Companies
Heng Ye	Heng Cheng
Heng Yu Da	Yi Ren Wealth Management

YIRENDAI LTD.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — continued
FOR THE YEARS ENDED DECEMBER 31, 2016, 2017 AND 2018
(Amounts in thousands, except for share and per share data, or otherwise noted)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES — continued

Basis of consolidation — continued

The VIE arrangements — continued

In concluding that the Company is the primary beneficiary of the VIE Companies, the Company believes that the FOS's rights under the terms of the exclusive option agreements provide it with a substantive kick out right. More specifically, the Company believes the terms of the exclusive option agreements are valid, binding and enforceable under PRC laws and regulations currently in effect. A simple majority vote of the Company's board of directors is required to pass a resolution to exercise the FOS's rights under the exclusive option agreements, for which consent of the shareholders of VIE Companies is not required. The FOS's rights under the exclusive option agreements give the Company the power to control the shareholders of VIE Companies and thus the power to direct the activities that most significantly impact the VIE Companies' economic performance. In addition, the FOS's rights under the powers of attorney also reinforce the Company's abilities to direct the activities that most significantly impact the VIE Companies' economic performance. The Company also believes that this ability to exercise control ensures that the VIE Companies will continue to execute and renew services agreements and pay service fees to the Company. The exclusive business cooperation agreement will be terminated upon the expiration of the operation term of either party if the application for renewal of its operation term is not approved by the relevant government authorities. As a result, the Company believes that it has the rights to receive substantially all of the economic benefits from the VIE Companies.

- Agreements that provide the Foreign Owned Subsidiaries effective control over the VIE Companies

Power of Attorney The shareholders of the VIE Companies have executed an irrevocable power of attorney in favor of the Foreign Owned Subsidiaries, or entity or individual designated by the Foreign Owned Subsidiaries. Pursuant to this powers of attorney, the Foreign Owned Subsidiaries or their designees have full power and authority to exercise all of such shareholder's rights with respect to his equity interest in the VIE Companies. The power of attorney will remain in force for so long as the shareholder remains a shareholder of the VIE Companies.

Exclusive Option Agreement The VIE Companies and their shareholders have also entered into an exclusive share option agreement with the Foreign Owned Subsidiaries. Pursuant to this agreement, the shareholders of VIE Companies have granted an exclusive option to the Foreign Owned Subsidiaries or their designees to purchase all or part of such shareholders' equity interest, at a purchase price equal to the higher of the amount of loan extended by the Foreign Owned Subsidiaries to each shareholder of the VIE Companies under the respective loan agreement or the minimum price required by PRC law at the time of such purchase.

Equity Interest Pledge Agreement The shareholders of the VIE Companies have also entered into an equity pledge agreement with the Foreign Owned Subsidiaries, pursuant to which each shareholder pledged his/her interest in the VIE Companies to guarantee the performance of obligations of the VIE Companies and their shareholders under the exclusive business cooperation agreement, loan agreements, exclusive option agreements and powers of attorney.

- Agreements that transfer economic benefits to the Foreign Owned Subsidiaries

Exclusive Business Cooperation Agreement The Foreign Owned Subsidiaries have entered into an exclusive business cooperation agreement with the VIE Companies. Pursuant to this exclusive business cooperation agreement, the Foreign Owned Subsidiaries provide comprehensive technical support, consulting services and other services to the VIE Companies in exchange for service fees. The Foreign Owned Subsidiaries have the sole discretion to determine the amounts of the service fees.

During the term of exclusive business cooperation agreement, both the Foreign Owned Subsidiaries and the VIE Companies shall renew their operation terms prior to the expiration thereof so as to enable the exclusive business cooperation agreement to remain effective. The exclusive business cooperation agreement shall be terminated upon the expiration of the operation term of either the Foreign Owned Subsidiaries or the VIE Companies, if the application for renewal of their operation terms is not approved by relevant government authorities. In addition, the shareholders of VIE Companies have granted an irrevocable and exclusive option to the Foreign Owned Subsidiaries to purchase any or all of the assets and businesses of the VIE Companies at the lowest price permitted under PRC law.

The agreement may be terminated only at the option of the Foreign Owned Subsidiaries and the VIE Companies have no authority to terminate the exclusive business cooperation agreement.

YIRENDAI LTD.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — continued
FOR THE YEARS ENDED DECEMBER 31, 2016, 2017 AND 2018
(Amounts in thousands, except for share and per share data, or otherwise noted)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES — continued

Basis of consolidation — continued

The VIE arrangements — continued

- Agreements that provide the Foreign Owned Subsidiaries with the option to purchase the Equity Interest in the VIE Companies

Loan Agreements Under loan agreements between FOS and each of the shareholders of the respective VIE companies, FOS made interest-free loans to the shareholders for the exclusive purpose of the initial capitalization and the subsequent financial needs of the VIE companies. The loans can only be repaid with the proceeds derived from the sale of all of the equity interests in VIE companies to FOS or its designated representatives pursuant to the equity option agreements. The shareholders must pay all of the proceeds from sale of such equity interests to FOS. 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 VIE companies and FOS elects to exercise its exclusive equity purchase option. The term of the loans is ten years and can be extended upon mutual written consent of the parties.

Risks in relation to the VIE structure

The Company believes that the contractual arrangements with the VIE Companies and their current shareholders are in compliance with the PRC laws and regulations and are legally enforceable. However, uncertainties in the PRC legal system could limit the Company's ability to enforce the contractual arrangements. If the legal structure and contractual arrangements were found to be in violation of the PRC laws and regulations, the PRC government could:

- Revoke the business and operating licenses of the Foreign Owned Subsidiaries and the VIE Companies;
- Discontinue or restrict the operations of any related-party transactions among the Foreign Owned Subsidiaries and the VIE Companies;
- Impose fines or other requirements on the Foreign Owned Subsidiaries and the VIE Companies;
- Require the Company or the Foreign Owned Subsidiaries and the VIE Companies to revise the relevant ownership structure or restructure operations; and/or
- Restrict or prohibit the Company's use of the proceeds of the additional public offering to finance the Company's business and operations in China.
- Shut down the Company's servers or block the Company's online platform;
- Discontinue or place restrictions or onerous conditions on the Company's operations; and/or
- Require the Company to undergo a costly and disruptive restructuring.

The Company's ability to conduct its business may be negatively affected if the PRC government were to carry out any of the aforementioned actions. As a result, the Company may not be able to consolidate VIE Companies in its consolidated financial statements as it may lose the ability to exert effective control over VIE Companies and their shareholders, and it may lose the ability to receive economic benefits from VIE Companies.

The interests of the shareholders of VIE Companies may diverge from that of the Company and that may potentially increase the risk that they would seek to act contrary to the contractual terms, for example by influencing the VIE Companies not to pay the service fees when required to do so. The Company cannot assure that when conflicts of interest arise, shareholders of the VIE Companies will act in the best interests of the Company or that conflicts of interests will be resolved in the Company's favor. Currently, the Company does not have existing arrangements to address potential conflicts of interest the shareholders of VIE Companies may encounter in its capacity as beneficial owners and directors of the VIE Companies, on the one hand, and as beneficial owners and directors of the Company, on the other hand. The Company believes the shareholders of VIE Companies will not act contrary to any of the contractual arrangements and the exclusive option agreements provide the Company with a mechanism to remove the current shareholders of VIE Companies should they act to the detriment of the Company. The Company relies on certain current shareholders of the VIE Companies to fulfill their fiduciary duties and abide by laws of the PRC and act in the best interest of the Company. If the Company cannot resolve any conflicts of interest or disputes between the Company and the shareholders of VIE Companies, the Company would have to rely on legal proceedings, which could result in disruption of its business, and there is substantial uncertainty as to the outcome of any such legal proceedings.

YIRENDAI LTD.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — continued
FOR THE YEARS ENDED DECEMBER 31, 2016, 2017 AND 2018
(Amounts in thousands, except for share and per share data, or otherwise noted)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES — continued

Basis of consolidation — continued

Risks in relation to the VIE structure — continued

The following financial statement amounts and balances of the VIE Companies were included in the accompanying consolidated financial statements after elimination of intercompany transactions and balances:

	December 31, 2017	December 31, 2018	December 31, 2018
	RMB	RMB	USD
Assets			
Cash and cash equivalents	1,148,818	1,100,442	160,053
Restricted cash	1,701,454	—	—
Accounts receivable	783	521	76
Contract assets, net	—	1,852,537	269,440
Contract cost	—	139,117	20,234
Prepaid expenses and other assets	1,025,160	572,444	83,259
Amounts due from related parties	117,222	121,464	17,666
Available-for-sale investments	618,500	550,000	79,994
Property, equipment and software, net	2,078	3,873	563
Deferred tax assets	798,345	182,256	26,508
Total assets	5,412,360	4,522,654	657,793
Liabilities			
Accounts payable	33,444	28,914	4,205
Amounts due to related parties	53,149	215,165	31,294
Liabilities from quality assurance program	2,775,949	—	—
Deferred revenue	222,906	275,825	40,117
Accrued expenses and other liabilities	1,063,631	752,649	109,468
Refund liability	—	252,367	36,705
Deferred tax liability	—	497,913	72,420
Total liabilities	4,149,079	2,022,833	294,209

	Year ended December 31,			
	2016	2017	2018	2018
	RMB	RMB	RMB	USD
Net revenue	3,237,768	5,414,978	5,497,782	799,619
Net income	1,445,081	2,237,924	1,439,506	209,368

	Year ended December 31,			
	2016	2017	2018	2018
	RMB	RMB	RMB	USD
Net cash provided by /(used in) operating activities	2,415,204	3,244,633	(349,597)	(50,847)
Net cash (used in) /provided by investing activities	(471,321)	(220,359)	3,357	488

In accordance with the VIE contractual arrangements, the Foreign Owned Subsidiaries have the power to direct activities of the VIE Companies, and can have assets transferred out of the VIE Companies. There are no consolidated VIE's assets that are collateral for the VIE's obligations and can only be used to settle the VIE's obligations. There are no creditors (or beneficial interest holders) of the VIEs that have recourse to the general credit of the Company. There are no terms in any arrangements, considering both explicit arrangements and implicit variable interests, which require the Company or its subsidiaries to provide financial support to the VIEs. However, if the VIEs ever need financial support, the Company or its subsidiaries may, at its option and subject to statutory limits and restrictions, provide financial support to its VIEs through loans to the shareholders of the VIEs or entrustment loans to the VIEs. Relevant PRC laws and regulations restrict the VIE from transferring a portion of its net assets, equivalent to the balance of its paid-in capital, capital reserve and statutory reserves, to the Company in the form of loans and advances or cash dividends. Please refer to Note 15 for disclosure of restricted net assets.

YIRENDAI LTD.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — continued
FOR THE YEARS ENDED DECEMBER 31, 2016, 2017 AND 2018
(Amounts in thousands, except for share and per share data, or otherwise noted)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES — continued

Basis of consolidation — continued

Consolidated Assets Backed Financing Entities

As part of the Group's strategy to expand its investor base from individual investors to institutional investors, the Group established a business relationship with certain trusts or ABS plan which were administered by third-party trust companies. The trusts were set up to invest solely in the loans facilitated by the Group on its platform to provide returns to the beneficiaries of the trusts through interest payments made by the borrowers.

The Group provides loan facilitation and post-origination services to the trusts. The Group also has power to direct the activities that have most significant impact on the economic performance of the ABFE by providing the loan servicing and default loan collection services of the trusts.

Through the transaction fees charged, guarantee deposit, and direct investment, the Group has the right to receive benefits or bear losses from the ABFE that could potentially be significant to the ABFE. The Group provides certain level of guarantee in the form of a security fund in the amount of 6% of the total loan principal to the Trust No.1 to protect the trust beneficiaries. The guarantee provided is considered variable consideration held by the Group. The Group holds significant variable interest in Trust No.1 through the transaction fee charged and guarantee provided in the form of security deposit, and holds significant variable interest in Trust No.2 through the transaction fee charged. The Group also holds significant variable interest in other ABFE through direct investment.

Accordingly, the Company is considered the primary beneficiary of the ABFE and has consolidated the ABFE's assets, liabilities, results of operations, and cash flows in the accompanying consolidated financial statements.

The assets of the ABFE are not available to creditors of the Company. In addition, the investors of the ABFE have no recourse against the assets of the Company.

The following financial statement amounts and balances of the Consolidated ABFE were included in the accompanying consolidated financial statements after elimination of intercompany transactions and balances:

	December 31, 2017	December 31, 2018	December 31, 2018
	RMB	RMB	USD
Assets			
Restricted cash	82,990	68,623	9,981
Prepaid expenses and other assets	3,535	3,111	452
Loans at fair value	791,681	1,038,225	151,004
Held-to-maturity investments	9,944	15,641	2,275
Total assets	888,150	1,125,600	163,712
Liabilities			
Accounts payable	380	1,253	182
Payable to investors at fair value	113,445	7,693	1,119
Accrued expenses and other liabilities	7,131	9,544	1,388
Total liabilities	120,956	18,490	2,689

	Year ended December 31,			
	2016	2017	2018	2018
	RMB	RMB	RMB	USD
Net revenue	—	—	—	—
Net (loss) /income	(19,735)	(40,124)	254,862	37,068

	Year ended December 31,			
	2016	2017	2018	2018
	RMB	RMB	RMB	USD
Net cash provided by operating activities	6,591	12,713	240,066	34,916
Net cash used in investing activities	(169,680)	(487,572)	(247,985)	(36,068)
Net cash provided by / (used in) financing activities	157,121	(294,213)	(91,502)	(13,308)

All assets of Consolidated ABFE are collateral for ABFE's obligations and can only be used to settle the ABFE's obligations.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES — continued

Use of estimates

The preparation of financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from such estimates. Significant accounting estimates reflected in the Group's financial statements are estimates and judgments applied in revenue recognition, contingent liabilities of quality assurance program, fair value measurement of quality assurance program, loans at fair value, payable to investors at fair value, available-for-sale investments, share-based compensation and income tax.

Revenue recognition

The Group provides services as an online marketplace connecting borrowers and investors. The four major deliverables provided are loan facilitation services, quality assurance program for periods prior to May 2018, post-origination services (e.g. cash processing, collection and SMS services) and account management services (automated investing tool).

The Group has determined that it is not the legal lender or borrower in the loan origination and repayment process, but acting as an intermediary to bring the lender and the borrower together. Therefore, the Group does not record the loans receivable or payable arising from the loans facilitated between the investors and borrowers on its platform.

The Group charges fees for facilitating loan originations, for the automated investing tool to investors opting for that service, and for monthly service (covering cash processing services, collection services and SMS services), while for those who do not opt for automated investing tool, the Group charges fees for facilitating loan originations and for monthly service (covering cash processing services, collection services and SMS services) (collectively as "non-contingent fees"). The Group also receives fees contingent on future events (e.g., penalty fee for loan prepayment and late payment, fee for transferring loans over the secondary loan market, and other service fees, etc.).

In order to be more competitive by providing a certain level of assurance to the investors, the Group historically reimburses the loan principal and interest to the investor in case of borrower's default and then collects the amounts either from borrowers through its collection team or a guarantee company.

After August 2013, the Group introduced a guarantee arrangement with a guarantee company, under which the guarantee company provided guarantee service to the investors ("guarantee model"). The guarantee company charged the investors at a rate of 10% based on monthly interest on loans as servicing fee, which was collected by the Group on behalf of the guarantee company and not recorded as revenue of the Group.

Starting from January 1, 2015, the Group launched an investor protection service in the form of a financial guarantee called the quality assurance program. If a loan originated on or after January 1, 2015 defaults, the Group guarantees the principal and accrued interest repayment of the defaulted loan up to the balance of the quality assurance program on a portfolio basis. The quality assurance program being set aside equals to a fixed percentage of the total loan facilitation amount. The Group reserves the right to revise the percentage upwards or downwards as a result of the Group's continuing evaluation of factors such as market dynamics as well as its product lines, profitability and cash position.

In October 2016, the Group launched a new program named "Top-up Program" to facilitate a new loan for an existing qualified borrower with the termination of his prior loan. When a new loan contract is signed under "Top-up Program", the previous loan contract is extinguished immediately. Top-up Program is a service provided to qualified borrowers to enhance customer experience and serve their lifelong credit needs. The fee structure of loans facilitated under the Top-up program is the same as other loan products except that the Group offers a credit of upfront fee of the existing loan to encourage the generation of the new loan. The new loan contract qualifies as a contract modification under ASC 606-10-25-10, and which was accounted as a prospective separate contract as it meets the requirements of ASC 606-10-25-12.

From August 2017 to December 2017, the Group cooperated with Zhejiang Chouzhou Commercial Bank ("Chouzhou Bank") to furnish the borrower referral and facilitation services to Chouzhou Bank. The Group provided guarantee deposits to Chouzhou Bank to protect it from potential losses due to loan delinquency and undertook to timely replenish such deposit from time to time. The Group also undertakes to repay Chouzhou Bank on behalf of defaulting borrowers if any repayment is 80 days overdue and upon such full repayment to Chouzhou Bank, the Group will obtain the creditor's rights in respect of the relevant default amount.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES — continued

Revenue recognition — continued

To ensure compliance with regulatory requirements, starting from January 2018, the Group entered into a three-year business agreement with PICC Property and Casualty Company Limited ("PICC"). Pursuant to the business agreement, PICC provides surety insurance for loans newly facilitated through the Group's online marketplace with 12-month term and with an amount not exceeding RMB200,000 (approximately US$29,089).Under the arrangement, borrowers purchase surety insurance and pay insurance premium to the insurance company directly. The insurance company will reimburse the principal and expected interest to investors in the event of borrowers' default within the agreed insurance policy.

Since March 2018, the Group began to cooperate with guarantee companies to establish a credit assurance program. Under the credit assurance program, the guarantee companies either i) provide guarantee for loans facilitated through the Group's online marketplace for the assurance that investors' principal and interest would be repaid in the event of loan defaults, and can further obtain guarantee by purchasing credit insurance from PICC; or ii) set up and manage a reserve fund, using payments collected from borrowers directly, to compensate investors for their potential loss due to loan default up to the cash available in the fund. Subsequently in May 2018, the Group discontinued the operation of quality assurance program by transferring all liabilities associated with the quality assurance program to a third-party guarantee company at an estimated fair value. The Group no longer bears any guarantee obligations and therefore does not record any guarantee liability on its consolidated financial statement. Since then, loans facilitated on the Group's platform are either covered by the credit assurance program operated by the guarantee companies or PICC's surety insurance program.

Revenue recognition before adoption of ASU 2014-09, "Revenue from contracts with Customers (Topic 606)"

Multiple element revenue recognition

The Group considers the loan facilitation services, the quality assurance program and post-origination services as a multiple deliverable revenue arrangement. The Group has concluded that although it does not sell those services independently, all three deliverables have standalone value as others do sell them independently in the market and they have value to the customer independently. Thus, all non-contingent fees are allocated among these three deliverables. Under the guarantee model, the total fees are allocated based upon the relative selling price of the loan facilitation services and post origination services.

The Group allocates non-contingent fees to be received consistent with the guidance in ASC 605-25. It first allocates the amount equal to the fair value of the stand-ready liability from the quality assurance program. Then the remaining fees are allocated to the loan facilitation services and post-origination services using their relative estimated selling prices.

The Group did not recognize revenue for the quality assurance program, as it considered that netting the changes in the guarantee with the revenue was more representative of the Group's obligation. No separate guarantee revenue or guarantee provision expense had been recognized in the Consolidated Statement of Operations.

The Group does not have vendor specific objective evidence ("VSOE") of selling price for the loan facilitation services or post-origination services because it does not provide loan facilitation services or post-origination services separately.

For cash processing services, collection services and SMS services (all of which are part of the post-origination services), the Group uses third-party evidence ("TPE", which is the prices charged when sold separately by its service providers) as the basis of revenue allocation.

Although other vendors may sell these services separately, TPE of selling price of the loan facilitation services and automated investing tool services (part of post-origination services) does not exist as public information is not available regarding what the Group's competitors may charge for those services. As a result, the Group generally uses its best estimate of selling prices ("BESP") of loan facilitation services and automated investing tool services as the basis of revenue allocation. In estimating its selling price for the loan facilitation services and automated investing tools services, the Group considers the cost incurred to deliver such services, profit margin for similar arrangements, customer demand, effect of competitors on the Group's services, and other market factors.

For each type of service, the Group recognizes revenues when the following four revenue recognition criteria are met for each revenue type:
(i) persuasive evidence of an arrangement exists, (ii) delivery has occurred or services have been rendered, (iii) the selling price is fixed or determinable, and (iv) collectability is reasonably assured.

Collectability of fees

The Group either collects the entire amount of the loan facilitation fee upfront, or collects a portion upfront and the rest on a monthly basis over the term of the loan. The management fee charged to self-directed investors and the automated investing tool investors are collected on a monthly basis through the loan period. All the transaction fees charged before December 31, 2014 were guaranteed by Tian Da Xin An (Beijing) Guarantee Co., Ltd. ("Tian Da Xin An"), a guarantee company.

YIRENDAI LTD.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — continued
FOR THE YEARS ENDED DECEMBER 31, 2016, 2017 AND 2018
(Amounts in thousands, except for share and per share data, or otherwise noted)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES — continued

Revenue recognition — continued

Collectability of fees— continued

Starting from January 2015, the collection of transaction fee is no longer guaranteed by Tian Da Xin An. The Group evaluated the following factors for uncertainty of the collectability: (i) credit risk of the portfolio; (ii) prepayment risk; (iii) risk profile change from launching new products and (iv) macroeconomic cycle, etc. and concluded that the collectability could not be reasonably assured. Thus fees charged on a monthly basis are not recognized until collectability could be reasonably assured.

Revenue recognition before adoption of ASU 2014-09, "Revenue from contracts with Customers (Topic 606)" — continued

Revenue from loan facilitation services

Prior to the end of 2014, the aforementioned four criteria for revenue recognition were met upon completion of the loan facilitation services. The Group recognized 100% of the transaction fee as revenue and recorded no allowance for the uncollectible accounts, as all the transaction fees in relation to loans facilitated before December 31, 2014 were guaranteed by Tian Da Xin An . Starting from first quarter of 2015, the Group recognizes the cash received that is allocated to loan facilitation services as revenue upon completion of the related service. Cash received as upfront fees is allocated first to the quality assurance program and then to loan facilitation services and post-origination services based on their relative selling prices. For fees that are partially refundable to the borrowers, the revenue is not recognized until the fees become non-refundable.

Revenue from post-origination services

The fees collected upfront allocated to post-origination services are deferred and recognized over the period of the loan on a straight line basis.

Other revenue

Other revenue includes penalty fee for loan prepayment (for loans originated before December 31, 2014) and late payment, one-time fees for transferring loans over the secondary loan market, and commission fee received from other Fintech companies. The penalty fee, which are fees paid to the investors that are assigned to the Group by the investors, will be received as a certain percentage of past due amounts in case of late payment or a certain percentage of interest over the prepaid amount of loan principal in case of prepayment. The Group refers potential borrowers to other Fintech companies and charges them commission fee. Commission fee revenue is recognized when successful referral was completed by the Group.

Customer incentives

To expand its market presence, the Group provides cash incentives to investors from time to time. Each individual incentive program only lasts for a week or a few weeks. During the relevant incentive program period, the Group sets certain thresholds for the investor to qualify to enjoy the cash incentive. When qualified investment is made, the cash payment is provided to the investor as a percentage of the investment amount. The Group also distributed interest plus coupons and renewal reward coupons to investors free of charge. The investors can utilize the interest plus coupons to increase the expected return of Yidingying product on the maturity date. If the investors choose to extend the investment period of the Yidingying product, the renewal reward coupons can be utilized to increase the expected return of Yidingying product for the extended investment period. The cash incentives, interest plus coupons and renewal reward coupons provided are accounted for as reduction of revenue in accordance with ASC subtopic 605-50.

The Group has established a membership reward program wherein investors can earn Yiren coins when purchase made on the Group's platforms reached a certain amount. Yiren coins can be used in connection with subsequent purchases. The expiry dates of these Yiren coins vary based on different individual promotional programs, which are generally ranged from one and a half years to two and a half years period. The Group accrues liabilities for the estimated value of the Yiren coins that are expected to be used, which are based on all outstanding Yiren coins related to prior purchases at the end of each reporting period, as it does not currently have sufficient historical data to reasonably estimate the usage rate of these Yiren coins. These liabilities reflect management's best estimate of the cost of future usages.

YIRENDAI LTD.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — continued
FOR THE YEARS ENDED DECEMBER 31, 2016, 2017 AND 2018
(Amounts in thousands, except for share and per share data, or otherwise noted)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES — continued

Revenue recognition — continued

Revenue recognition after adoption of ASU 2014-09, "Revenue from contracts with Customers (Topic 606)" with modified retrospective method

The Group adopted ASU 2014-09, Revenue from Contracts with Customers (Topic 606) and all subsequent ASUs that modified Topic 606 on January 1, 2018 using the modified retrospective method. The Group recognized the cumulative effect of applying the new revenue standard as an adjustment to the beginning balance of retained earnings. The comparative information is not restated and continues to be reported under the accounting standards in effect for the period presented.

Under Topic 606, the core principle of the guidance is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. To achieve that core principle, the Group applies the following steps:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognize revenue when (or as) the entity satisfies a performance obligation

All of the Group's revenue for the year ended December 31, 2018 were generated from PRC China. The following table illustrates the disaggregation of revenue in 2018:

	Year ended December 31, 2018 RMB
Net revenue:	
Loan facilitation service	3,413,052
Post-origination service	290,728
Account management service	1,625,461
Others	291,487
Total net revenue	5,620,728

The Group determines its customers to be both the investors and borrowers. The Group assesses ability and intention to pay the service fees of both borrowers and investors when they become due and determines if the collection of the service fees is probable, based on historical experiences as well as the credit due diligence performed on each borrower prior to loan origination. The Group considers the loan facilitation services, quality assurance program for periods prior to May 2018, and post-origination services as three separate services of which the quality assurance program is accounted for in accordance with ASC Topic 460, Guarantees. While the post-origination service is within the scope of ASC Topic 860, the ASC Topic 606 revenue recognition model is applied due to the lack of definitive guidance in ASC Topic 860. The loan facilitation service and post-origination service are two separate performance obligations under ASC 606, as these two deliverables are distinct in that customers can benefit from each service on its own and the Group's promises to deliver the services are separately identifiable from each other in the contract.

The Group determines the transaction price of loan facilitation service and post-origination service to be the service fees chargeable from the borrowers, net of value-added tax. The transaction price includes variable consideration in the form of prepayment risk of the borrowers. The Group reflects, in the transaction price, the borrower prepayment risk and estimates variable consideration for these contracts using the expected value approach on the basis of historical information and current trends of the prepayment percentage of the borrowers. The transaction price is allocated amongst the guarantee service, if any, and two performance obligations.

YIRENDAI LTD.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — continued
FOR THE YEARS ENDED DECEMBER 31, 2016, 2017 AND 2018
(Amounts in thousands, except for share and per share data, or otherwise noted)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES — continued

Revenue recognition — continued

Revenue recognition after adoption of ASU 2014-09, "Revenue from contracts with Customers (Topic 606)" with modified retrospective method — continued

The Group first allocates the transaction price to the guarantee liabilities, if any, in accordance with ASC Topic 460, Guarantees which requires the guarantee to be measured initially at fair value based on the stand ready obligation. Then the remaining considerations are allocated to the loan facilitation services and post origination services using their relative standalone selling prices consistent with the guidance in Topic 606. The Group does not have observable standalone selling price information for the loan facilitation services or post origination services because it does not provide loan facilitation services or post origination services on a standalone basis. There is no direct observable standalone selling price for similar services in the market that is reasonably available to the Group. As a result, the estimation of standalone selling price involves significant judgments. The Group uses expected cost plus margin approach to estimate the standalone selling prices of loan facilitation services as the basis of revenue allocation. In estimating its standalone selling price for the loan facilitation services, the Group considers the cost incurred to deliver such services, profit margin for similar arrangements, customer demand, effect of competitors on the Group's services, and other market factors. However, for post origination services, given the main service is about loan collecting, the Group can refer to other companies performing the same services, therefore a direct observable standalone selling price for similar services in the market is available to the Group.

For each type of service, the Group recognizes revenue when (or as) the entity satisfies the service/performance obligation by transferring a promised good or service (that is, an asset) to a customer. Revenues from loan facilitation are recognized at the time a loan is originated between the investor and the borrower and the loan principal is transferred to the borrower, at which time the facilitation service is considered completed. Revenues from post-origination services are recognized on a straight-line basis over the term of the underlying loans as the services are provided. Revenues from guarantee services, if any, are recognized at the expiry of the guarantee term.

Remaining performance obligations represents the amount of the transaction price for which service has not been performed under post-origination services. The Group charges upfront fees for loan products. The upfront fee, if any, is deducted from loan proceeds at origination and the remaining consideration is collected in equal payments on a monthly basis. When the upfront fee is not sufficient to cover the relative standalone selling price of facilitation services performed, a corresponding or contract asset is recognized (see accounting policy for contract balances). For upfront fees that are partially refundable to the borrowers, the Group estimated the refund based on historical prepayment probability and the corresponding predetermined refundable amount, and recorded a corresponding refund liabilities upon receiving such fees.

The aggregate amount of the transaction price allocated to performance obligations that are unsatisfied pertaining to post-origination service were RMB685.9 million (US$99.8 million) as of December 31, 2018, among which approximately 53% of the remaining performance obligations will be recognized over the following 12 months, respectively, with the remainder recognized thereafter.

Disclosure related to modified retrospective adoption of ASC 606

The Group recorded an increase to opening accumulated retained earnings of approximately RMB1.2 billion (US$0.2 billion) as of January 1, 2018 due to the cumulative impact of adopting ASC 606.

The impacts of the adoption of ASC 606 in the year ended December 31, 2018 on Consolidated Statement of Income are shown below.

Impacted Consolidated Statement of Income Items	As Reported	Impacts of ASC606 Adoption	Balances without ASC 606 Adoption
	RMB	RMB	RMB
Net revenue	5,620,728	(1,056,205)	4,564,523
Operating costs and expenses:			
Sales and marketing	2,525,876	103,919	2,629,795
Allowance for contract assets	667,846	(667,846)	—
Income tax expense	194,287	(118,463)	75,824
Net income:	966,605	(373,815)	592,790

YIRENDAI LTD.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — continued
FOR THE YEARS ENDED DECEMBER 31, 2016, 2017 AND 2018
(Amounts in thousands, except for share and per share data, or otherwise noted)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES — continued

Revenue recognition — continued

Revenue recognition after adoption of ASU 2014-09, "Revenue from contracts with Customers (Topic 606)" with modified retrospective method — continued

The impacts of the adoption of ASC 606 as of December 31, 2018, including the cumulative effects of the change, on Consolidated Balance Sheet are shown below.

Impacted Consolidated Balance Sheet Items	As Reported	Impacts of ASC606 Adoption	Balances without ASC 606 Adoption
	RMB	RMB	RMB
Assets:			
Contract assets, net	1,891,438	(1,891,438)	—
Contract cost	139,965	(139,965)	—
Deferred tax assets	184,136	(84,387)	99,749
Liabilities:			
Deferred revenue	275,825	548,897	824,722
Accrued expenses and other liabilities	1,088,372	(334,980)	753,392
Refund liability	252,367	(252,367)	—
Deferred tax liabilities	502,903	(502,903)	—
Equity:			
Retained earnings	3,810,730	(1,574,437)	2,236,293

The adoption of ASC 606 had no transition impact on cash provided by or used in operating, financing or investing activities reported in the Group's consolidated statement of cash flows.

Account management services revenue

Under ASC 606, the transaction price of account management service is the management fee charged to investor monthly as the excess of actual return over the expected return. The service fees derived from investors using the automated investment tool are initially estimated based on historical experience of returns on similar investment products and current trends. The service fees are recognized on a straight-line basis over the term of the investment period. The service fees related to the automated investment tool are due at the end of the investment period. The investment period refers to the period of time when the investments are matched with loans and are generating returns for the investors. The Group records service fees only when it becomes probable that a significant reversal in the amount of cumulative revenue will not occur. The revenue of service fee recognized under ASC 606 for the year ended December 31, 2018 was RMB1,625,461. The aggregate amount of the transaction price allocated to performance obligations that are unsatisfied pertaining to account management services were RMB850.4 million (US$123.7 million) as of December 31, 2018, among which approximately 91% of the remaining performance obligations will be recognized over the following 12 months, respectively, with the remainder recognized thereafter.

Customer incentives

The cash incentives, interest plus coupons and renewal reward coupons provided are accounted for as reduction of contract price in accordance with ASC 606.

Under the membership reward program, investors earn Yiren coin that can be redeemed in subsequent purchase. Yiren coin earned by investors represent a material right to free or discounted goods or services in the future, which is accounted for as a separate performance obligation under ASC 606. For transactions that granted Yiren coins to the investors, a portion of transaction price is deferred for the obligation related to the Group's Yiren coins, which is the estimated value of the Yiren coins that are expected to be used incorporating estimated breakage based on historical redemption patterns. The revenue associated with Yiren coins is deferred until the points are redeemed. As of December 31, 2018, the liabilities related to Yiren coins was immaterial.

(Amounts in thousands, except for share and per share data, or otherwise noted)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES — continued

Revenue recognition — continued

Contract assets

Under ASC 606, contract assets represent the Group's right to consideration in exchange for services that the Group has transferred to the customer before payment is due. The Group's right to consideration for the monthly fees of facilitation service is conditional on the borrowers' actual payment, as the borrower had the right to early terminate the loan contract prior to the loan maturity and are not obligated to pay the remaining monthly fees. As such, the Group records a corresponding contract asset for the monthly service fees allocated to loan facilitation service and post-origination service that have already been delivered in relation to loans facilitated on the Group's platform when recognizing revenue from loan facilitation service and post-origination service. No accounts receivable is recorded since the Group does not have unconditional right to the consideration if the borrowers choose to early terminate and are not obligated to pay the remaining service fees in relation to the loans facilitated. Contract assets represent the Group's right to consideration in exchange for facilitation services that the Group has transferred to the customer before payment is due. The Group only recognizes contract assets to the extent that the Group believes it is probable that they will collect substantially all of the consideration to which it will be entitled in exchange for the services transferred to the customer. The contract assets will not be reclassified to a receivable given that the right to invoice and the payment due date is the same date. The contract assets net of allowance as of December 31, 2018 is RMB1,891,438 (US$275,098).

Per ASC 606-10-45-3, an entity shall assess a contract asset for impairment in accordance with Topic 310 on receivables. Contract assets is stated at the historical carrying amount net of write offs and allowance for uncollectible accounts. In determining whether an impairment loss should be recorded in the financial statements, the Group makes judgements as to whether there is any observable date indicating that there is a measureable decrease in the estimated future cash flows from contract assets. This evidence may include observable date indicating that there has been an adverse change in the borrower's credit risk, or national or local economic conditions that correlate with defaults on loans. When contract assets are assessed for impairment, the entity uses estimates based on historical borrower's credit risk. The historical borrower's credit risk is adjusted on the basis of the relevant observable date that reflects current economic conditions. The Group reviews regularly the methodology and assumptions used for estimating the amount of collectable contract assets.

Contract assets is identified as uncollectible if any repayment of the underlying loan is 90 days past due, and no other factor evidences the possibility of collecting the delinquent amounts. The Group will write off contract assets and corresponding allowance if any repayment of the underlying loan is 90 days past due.

Contract assets as of December 31, 2018 are as follows:

Contract assets	2,425,686
Allowance	(534,248)
Contract assets, net	1,891,438

The contract assets as of January 1, 2018 is RMB2,365,129 (US$343,994) related to the adoption of ASC606.

The following table present the movement of allowance for contract assets as of December 31, 2018:

	Allowance RMB
As of December 31, 2017	—
Adjustment related to ASC 606 adoption	648,101
Adjusted opening balance as of January 1, 2018	648,101
Allowance for contract assets	667,846
Write-off	(781,699)
As of December 31, 2018	534,248

YIRENDAI LTD.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — continued
FOR THE YEARS ENDED DECEMBER 31, 2016, 2017 AND 2018
(Amounts in thousands, except for share and per share data, or otherwise noted)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES — continued

Revenue recognition — continued

Contract cost

The Group pays commissions for successful referring of borrowers or investors to the Group's platform. The commissions paid based on successful referrals are considered as contract acquisition cost, and are capitalized when the commission becomes payable. The amount of amortization in the year ended December 31, 2018 is RMB91,431 (US$13,298). The acquisition cost of certain contracts are expensed when incurred as their amortization period is one year or less.

Deferred revenue

Deferred revenue consists of post origination service fees received from borrowers upfront for which services have not yet been provided. Deferred revenue are recognized ratably as revenue when the post origination services are delivered during the loan period.

The following table presents the deferred revenue as of December 31, 2018:

As of December 31, 2017	222,906
Adjustment related to ASC 606 adoption	131,007
Adjusted opening balance as of January 1, 2018	353,913
Revenue recognized that was included in the deferred revenue balance at the beginning of the period	(170,442)
Increases due to consideration received, excluding amounts recognized as revenue during the period	92,354
As of December 31, 2018	275,825

Refund liability

A refund liability is recognized for the estimated amounts of service fees which was received but is expected to be refunded. They represent the amount of consideration received that the entity does not expect to be entitled to earn and thus is not included in the transaction price because it will be refunded to customers. The refund liability is remeasured at each reporting date to reflect changes in the estimate, with a corresponding adjustment to revenue.

The Group's refund liability is the expected refund of service fees to borrowers in the case of early repayment of loans. The refund liability as of December 31, 2018 is RMB252,367 (US$36,705). The following table sets forth the movement of the balances of refund liability:

As of January 1, 2018	—
Addition	255,894
Payouts during the year	(3,527)
As of December 31, 2018	252,367

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES — continued

Liabilities from quality assurance program and guarantee

Under the quality assurance program model, at the inception of each loan, the Group recognizes a stand-ready liability as the fair value of the quality assurance program in accordance with ASC 460.

Subsequent to the inception of the loan, the stand-ready liability initially recognized would typically be reduced (by a credit to earnings) as the Group is released from risk under the guarantee either through expiry or performance. The Group also recognizes contingent liability under ASC 450 on a portfolio basis, which results in the recognition of expenses in earnings. The Group tracks its stand-ready liability on a loan-by-loan basis to monitor the expiration. When the Group releases the stand-ready liability through performance of the guarantee (by making payments on defaulted loans), it recognizes revenue along with the loss on defaulted loans. Revenue from releasing of stand-ready liability and expenses from recognition of contingent liability related to the quality assurance program are presented on a net basis in the income statement. On a portfolio basis, when the aggregate contingent liability required to be recognized under ASC 450 exceeds the quality assurance program liability balance, the Group will record the excess as expense.

The fair value of the stand-ready liability associated with the quality assurance program recorded at the inception of the loan was estimated using a discounted cash flow model to its expected net payouts from the quality assurance program, and also by incorporating a markup margin. The Group estimates its expected future net payouts based on its current product mix as well as its estimates of expected net charge-off rates and expected collection rates and a discount rate. The expected future cash net payout is capped at the restricted cash balance of the quality assurance program. In the fourth quarter of 2015, in order to continue to attract new and retain existing investors and to remain consistent with the current industry practice in China, the Group set aside more cash in the quality assurance program based on its current business intention but not legal obligation, so that the balance in the quality assurance program is enough to cover the expected net payouts.

The Group estimated the expected net charge-off rates of the loan facilitated as the weighted average of the expected net charge-off rates of loan with different risk grids. The Group developed the expected net charge-off rates based on the Group’s historical experience. In the second quarter of 2017, the Group launched its new credit scoring system and upgraded its original four risk grids system of Grade A, B, C and D to a five risk grids system of Grade I, Grade II, Grade III, Grade IV and Grade V.

To ensure compliance with regulatory requirements, starting from January 2018, the Group entered into a three-year business agreement with PICC Property and Casualty Company Limited ("PICC"). Pursuant to the business agreement, PICC provides surety insurance for loans newly facilitated through the Group's online marketplace with 12-month term and with an amount not exceeding RMB200,000 (approximately US$29,089).Under the arrangement, borrowers purchase surety insurance and pay insurance premium to the insurance company directly. The insurance company will reimburse the principal and expected interest to investors in the event of borrowers' default within the agreed insurance policy.

Since March 2018, the Group began to cooperate with guarantee companies to establish a credit assurance program. Under the credit assurance program, the guarantee companies either i) provide guarantee for loans facilitated through the Group's online marketplace for the assurance that investors' principal and interest would be repaid in the event of loan defaults, and can further obtain guarantee by purchasing credit insurance from PICC; or ii) set up and manage a reserve fund, using payments collected from borrowers directly, to compensate investors for their potential loss due to loan default up to the cash available in the fund. Subsequently in May 2018, the Group discontinued the operation of quality assurance program by transferring all liabilities associated with the quality assurance program to a third-party guarantee company at an estimated fair value. The Group no longer bears any guarantee obligations and therefore does not record any guarantee liability on its consolidated financial statement. Since then, loans facilitated on the Group's platform are either covered by the credit assurance program operated by the guarantee companies or PICC's surety insurance program.

YIRENDAI LTD.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — continued
FOR THE YEARS ENDED DECEMBER 31, 2016, 2017 AND 2018
(Amounts in thousands, except for share and per share data, or otherwise noted)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES — continued

Liabilities from quality assurance program and guarantee — continued

The Group cooperated with Chouzhou Bank from August 2017 to December 2017. The Group provided guarantee deposits to the bank to protect it from potential losses due to loan delinquency and undertook to timely replenish such deposit from time to time. The Group also undertakes to repay the bank on behalf of defaulting borrowers if any repayment is 80 days overdue and upon the full repayment, the Group will obtain the creditor's rights in respect of relevant default amount. Under such agreement, the total outstanding loan balance and accrued interests which the Group would be required to make were RMB206,842 and RMB120,476 as of December 31, 2017 and 2018 respectively.

The movement of liability from quality assurance program and liability related to guarantee provided to Chouzhou Bank during the year ended December 31, 2017 and 2018 is as follows:

As of January 1, 2017	1,471,000
Provision at the inception of new loans (Note)	3,152,899
Recognition of contingent liability	43,049
Net payment	(1,873,000)
As of December 31, 2017	2,793,948
Provision at the inception of new loans (Note)	911,549
Recognition of contingent liability	419,581
Net payment	(2,873,269)
Transfer to the credit assurance program	(1,241,859)
As of December 31, 2018	9,950

Note: Amount represents cash received on non-contingent fees allocated to the stand-ready liability for loans generated during the year.

Fair value

Fair value is 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.

Authoritative literature provides a fair value hierarchy, which prioritizes the inputs to valuation techniques used to measure fair value into three broad levels. The level in the hierarchy within which the fair value measurement in its entirety falls is based upon the lowest level of input that is significant to the fair value measurement as follows:

- Level 1-inputs are based upon unadjusted quoted prices for identical assets or liabilities traded in active markets.
- Level 2-inputs are based upon quoted prices for similar assets and liabilities in active markets, quoted prices for identical or similar assets and liabilities in markets that are not active and model-based valuation techniques for which all significant assumptions are observable in the market or can be corroborated by observable market data for substantially the full term of the assets or liabilities.
- Level 3-inputs are generally unobservable and typically reflect management's estimates of assumptions that market participants would use in pricing the asset or liability. The fair value are therefore determined using model-based techniques that include option pricing models, discounted cash flow models, and similar techniques.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES — continued

Fair value option

The Group has elected the fair value option for the assets and liabilities of the Consolidated ABFE that otherwise would not have been carried at fair value. Such election is irrevocable and is applied to financial instruments on an individual basis at initial recognition. See Note 4 for further disclosure on financial instruments of the Consolidated ABFE for which the fair value option has been elected.

Fair value of financial instruments

Fair value of loans and payable to investors at fair value

The Group has elected fair value accounting for loans and related payable to investors. Changes in the fair value of loans for the period are recorded as fair value adjustments. The Group estimates the fair value of loans using a discounted cash flow valuation methodology. The fair valuation methodology considers projected prepayments and net charge off to project future losses and net cash flows on loans.

The Group has adopted the measurement alternative included in ASU 2014-13 - the collateralized financing entity ("CFE") guidance, pursuant to which, the Group measures both the financial assets and financial liabilities of the Consolidated ABFE in its consolidated financial statements using the more observable of the fair value of the financial assets and the fair value of the financial liabilities. The Group believes the fair value of the financial assets of the Consolidated ABFE is more observable than the fair value of the financial liability of the Consolidated ABFE. As a result, the loans of the Consolidated ABFE are measured at fair value and the payable to investors is measured in consolidation as: (i) the sum of the fair value of the loans and the carrying value of any non-financial assets that are incidental to the operations of the Consolidated ABFE less (ii) the sum of the fair value of loan default loss borne by the Group through the security deposit. The resulting amount is allocated to the individual financial liabilities (other than the beneficial interest retained by the Group) using a reasonable and consistent methodology. Since the Group holds significant variable interest in the ABFE, the variable interest retained by the Group, or the payable to investors of the ABFE, are eliminated on the consolidated financial statements. Under the measurement alternative, the Group's consolidated net income reflects the Group's own economic interests in the Consolidated ABFE including changes in the fair value of the beneficial interests retained by the Group.

Cash and cash equivalents

Cash and cash equivalents include the Group's unrestricted deposits with financial institutions in checking, money market and short-term certificate of deposit accounts. The Group considers all highly liquid investments with stated maturity dates of three months or less from the date of purchase to be cash equivalents.

Restricted cash

Restricted cash represents: (i) cash in quality assurance program and guarantee which is managed by the Group through restricted bank accounts; (ii) cash held by the Consolidated ABFE through segregated bank accounts which is not available to fund the general liquidity needs of the Group.

Accounts receivable and allowance for uncollectible accounts receivable

Accounts receivable are stated at the historical carrying amount net of write-offs and allowance for uncollectible accounts. The Group establishes an allowance for uncollectible accounts receivable based on estimates, historical experience and other factors surrounding the credit risk of specific clients. Uncollectible accounts receivable are written off when a settlement is reached for an amount that is less than the outstanding historical balance or when the Group has determined the balance will not be collected.

With the termination of the guarantee contract in relation to loan facilitated on or after January 1, 2015 with Tian Da Xin An, the Group does not record additional accounts receivable associated with uncollected transaction and service fees from borrowers and investors during the years ended December 31, 2017 and 2018, and no allowance is recorded on the balance sheet as of December 31, 2017 and 2018.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES — continued

Investment

The Group's investments consist of held-to-maturity and available-for-sale.

Investments are classified as held-to-maturity when the Group has the positive intent and ability to hold the security to maturity, and are recorded at amortized cost.

Investments that do not meet the criteria of held-to-maturity or trading securities are classified as available-for-sale, and are reported at fair value with unrealized gains and losses recorded in accumulated other comprehensive income (loss) . Realized gains or losses are included in earnings during the period in which the gain or loss is realized.

The Group reviews its held-to-maturity and available-for-sale investments for other-than-temporary impairment ("OTTI") based on the specific identification method. The Group considers available quantitative and qualitative evidence in evaluating potential impairment of its investments. If the cost of an investment exceeds the investment's fair value, the Group considers, among other factors, general market conditions, government economic plans, the duration and the extent to which the fair value of the investment is less than the cost, the Group's intent and ability to hold the investment, and the financial condition and near term prospects of the issuers.

If there is OTTI on debt securities, the Group separates the amount of the OTTI into the amount that is credit related (credit loss component) and the amount due to all other factors. The credit loss component is recognized in earnings, which represents the difference between a security's amortized cost basis and the discounted present value of expected future cash flows. The amount due to other factors is recognized in other comprehensive income if the entity neither intends to sell and will not more likely than not be required to sell the security before recovery. The difference between the amortized cost basis and the cash flows expected to be collected is accreted as interest income.

Property, equipment and software, net

Property, equipment and software consists of computer and transmission equipment, furniture and office equipment, software, and leasehold improvements, which are recorded at cost less accumulated depreciation and amortization. Depreciation and amortization are calculated on a straight-line basis over the following estimated useful lives:

Computer and transmission equipment	3 years
Furniture and office equipment	5 years
Software	5 years
Leasehold improvements	Over the shorter of the lease term or expected useful lives

Gains and losses from the disposal of property, equipment and software are included in non-operating income, net.

Origination and servicing expense

Origination and servicing expense consists primarily of variable expenses and vendor costs, including costs related to credit assessment, customer and system support, payment processing services and collection associated with facilitating and servicing loan.

Share-based compensation

All share-based awards to employees and directors, such as stock options and restricted share units, are measured at the grant date based on the fair value of the awards. Share-based compensation, net of forfeitures, is recognized as expenses on an accelerated basis during the vesting period with a corresponding impact reflected in additional paid-in capital. Share-based compensation expense is classified in the consolidated statement of operations based upon the job functions of the grantees.

Forfeitures are estimated at the time of grant and revised in subsequent periods if actual forfeitures differ, or are expected to differ, from those estimates. Changes in estimated forfeiture rate will be recognized through a cumulative catch-up adjustment in the period of change and will also impact the amount of share-based compensation expense to be recognized in future periods. The Group uses historical data to estimate pre-vesting option and records share-based compensation expense only for those awards that are expected to vest.

YIRENDAI LTD.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — continued
FOR THE YEARS ENDED DECEMBER 31, 2016, 2017 AND 2018
(Amounts in thousands, except for share and per share data, or otherwise noted)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES — continued

Share-based compensation — continued

According to Issue 21 of EITF Issue 00-23[1], the awards granted to employees of CreditEase, the parent company and other subsidiaries in the consolidated group of the parent company should be recognized as a deemed dividend from the Group to the parent company at the fair value as of the grant date. Share-based compensation, net of forfeitures, is recognized as a deemed dividend to parent company on an accelerated basis during the vesting period with a corresponding impact reflected in additional paid-in capital.

Share-based awards to non-employees are measured based on the fair value at the earlier of the performance commitment date or the date at which the non-employee's performance is complete (hereafter referred to as the measurement date). The Group recognizes the compensation cost using the graded vesting attribution method.

[1] Although Issue 00-23 has also been nullified, the guidance in Issue 21 of EITF Issue 00-23 remains applicable by analogy since it is the only available guidance on accounting for these awards.

Income taxes

Current income taxes are provided for in accordance with the laws of the relevant tax authorities.

Deferred income taxes are provided using assets and liabilities method, which requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of events that have been included in the financial statements. Under this method, deferred tax assets and liabilities are determined on the basis of the differences between financial statements and tax basis of assets and liabilities using enacted tax rates in effect for the year in which the differences are expected to reverse. Deferred tax assets are recognized to the extent that these assets are more likely than not to be realized. In making such a determination, the management consider all positive and negative evidence, including future reversals of projected future taxable income and results of recent operation.

The impact of an uncertain income tax position on the income tax return is recognized at the largest amount that is more likely than not to be sustained upon audit by the relevant tax authority. An uncertain income tax position will not be recognized if it has less than a 50% likelihood of being sustained. Interest and penalties on income taxes will be classified as a component of the provisions for income taxes. The Group did not recognize any income tax due to uncertain tax position or incur any interest and penalties related to potential underpaid income tax expenses for the years ended December 31, 2016, 2017 and 2018, respectively.

Value added taxes ("VAT")

The Group is subject to VAT at the rate of 6% and related surcharges on revenue generated from providing services. VAT is reported as a deduction to revenue when incurred and amounted to RMB314,727, RMB619,474 and RMB825,680 for the years ended December 31, 2016, 2017 and 2018, respectively. Entities that are VAT general taxpayers are allowed to offset qualified input VAT paid to suppliers against their output VAT liabilities. Net VAT balance between input VAT and output VAT is recorded in the line item of accrued expense and other liabilities on the face of balance sheet.

Net income per share

Basic net income per share is computed by dividing net income attributable to holders of ordinary shares by the weighted average number of ordinary shares outstanding during the period. Diluted net income per share is calculated by dividing net income attributable to ordinary shareholders, by the weighted average number of ordinary and dilutive ordinary equivalent shares outstanding during the period. Ordinary equivalent shares include shares issuable upon the vesting of restricted share units using the treasury stock method. Ordinary equivalent shares are not included in the denominator of the diluted earnings per share calculation when inclusion of such shares would be antidilutive.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES — continued

Foreign Currency Translation and change in reporting currency

The reporting currency of the Company is Renminbi ("RMB"). The functional currency of the Company is the US dollar ("US$"). The Company's operations are principally conducted through the subsidiaries and VIEs located in the PRC where the local currency is the functional currency.

Transactions denominated in foreign currencies are translated into the functional currency at the exchange rates prevailing on the transaction dates. Assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rates prevailing at the balance sheet date. Exchange gains and losses are included in earnings as a component of other income.

The financial statements of the Group are translated from the functional currency into reporting currency. Assets and liabilities denominated in foreign currencies are translated using the applicable exchange rates at the balance sheet date. Equity accounts other than earnings generated in current period are translated at the appropriate historical rates. Revenues, expenses, gains and losses are translated using the periodic average exchange rates. The resulting foreign currency translation adjustment are recorded in other comprehensive income.

Starting from the second quarter of 2016, the Company changed its reporting currency from US$ to RMB. The change in reporting currency was undertaken to better report the Company's performance given the location of its operations are principally in China and to improve the comparability of the Company's financial results with other publicly traded companies in the industry in China. The related financial statements prior to April 1, 2016 have been recast to RMB as if the financial statements originally had been presented in RMB since the earliest periods presented. The change in reporting currency resulted in cumulative foreign currency translation adjustment to the Group's comprehensive income were a gain of RMB29,356, a loss of RMB17,979 and a gain of RMB7,737 for the years ended December 31, 2016, 2017 and 2018 respectively.

Translations of amounts from RMB into US$ are solely for the convenience of the reader and were calculated at the rate of US$1.00 = RMB6.8755 on December 31, 2018, the last business day in fiscal year 2018, representing the certificated exchange rate published by the Federal Reserve Board. No representation is intended to imply that the RMB amounts could have been, or could be, converted, realized or settled into US$ at such rate, or at any other rate.

Significant risks and uncertainties

Foreign currency risk

RMB is not a freely convertible currency. The State Administration for Foreign Exchange, under the authority of the People's Bank of China, controls the conversion of RMB into foreign currencies. The value of RMB is subject to changes in central government policies and to international economic and political developments affecting supply and demand in the China Foreign Exchange Trading System market. The Group's cash and cash equivalents denominated in RMB amounted to RMB1,546,094 and RMB1,888,674 at December 31, 2017 and 2018, respectively.

Concentration of credit risk

Financial instrument that potentially expose the Group to significant concentration of credit risk primarily included in the financial lines of cash and cash equivalents, restricted cash, accounts receivable, contract assets, prepaid expenses and other assets, loans at fair value, amounts due from related parties, held-to-maturity investments, and available-for-sale investments. As of December 31, 2018, substantially all of the Group's cash and cash equivalents were deposited in financial institutions located in the PRC. According to the China Bank Deposit Insurance Ordinance, the deposits at each bank is covered by insurance with an upper limit of 500 thousands RMB at each bank. Accounts receivable are typically unsecured and are derived from revenue earned from customers in the PRC. The risk with respect to accounts receivable is mitigated by credit evaluations the Group performs on its customers and its ongoing monitoring process of outstanding balances.

There are no revenues from customers which individually represent greater than 10% of the total net revenues for any year of the three years period ended December 31, 2018.

There are no customers of the Group that accounted for greater than 10% of the Group's carrying amount of accounts receivable as of December 31, 2017 and 2018.

YIRENDAI LTD.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — continued
FOR THE YEARS ENDED DECEMBER 31, 2016, 2017 AND 2018
(Amounts in thousands, except for share and per share data, or otherwise noted)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES — continued

Significant risks and uncertainties — continued

Recently Adopted Accounting Pronouncements

In May 2014, the FASB issued ASU No. 2014-09, "Revenue from Contracts with Customers (Topic 606)" as modified by subsequently issued ASUs 2015-14, 2016-08, 2016-10, 2016-12 and 2016-20 (collectively ASU 2014-09). ASU 2014-09 superseded existing revenue recognition standards with a single model unless those contracts are within the scope of other standards (e.g., an insurance entity's insurance contracts). The revenue recognition principle in ASU 2014-09 is that an entity should recognize revenue to depict the transfer of goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The Group adopted Topic 606 on January 1, 2018, using the modified retrospective transition method. The Group recognized the cumulative effect of applying the new revenue standard as an adjustment to the opening balance of accumulated deficit at the beginning of 2018. The comparative information has not been restated and continues to be reported under the accounting standards in effect for the period presented. See Note 2 - Revenue recognition, for additional accounting policy disclosures.

In January 2016, the Financial Accounting Standard Board ("FASB") issued ASU 2016-01, "Financial Instruments—Overall (Subtopic 825-10): Recognition and Measurement of Financial Assets and Financial Liabilities" This guidance revises the accounting related to the classification and measurement of investments in equity securities as well as the presentation for certain fair value changes in financial liabilities measured at fair value, and amends certain disclosure requirements. The guidance requires that all equity investments, except those accounted for under the equity method of accounting or those resulting in the consolidation of the investee, be accounted for at fair value with all fair value changes recognized in income. For financial liabilities measured using the fair value option, the guidance requires that any change in fair value caused by a change in instrument-specific credit risk be presented separately in other comprehensive income until the liability is settled or reaches maturity. The guidance is effective for interim and annual reporting periods in fiscal years beginning after December 15, 2017, with early adoption permitted for certain provisions. A reporting entity would generally record a cumulative-effect adjustment to beginning retained earnings as of the beginning of the first reporting period in which the guidance is adopted. The adoption of ASU 2016-01 did not have a material impact on the Group's consolidated statements.

Recent accounting pronouncements not yet adopted

In February 2016, the FASB issued ASU 2016-02, Leases (Topic 842). The guidance supersedes existing guidance on accounting for leases with the main difference being that operating leases are to be recorded in the statement of financial position as right-of-use assets and lease liabilities, initially measured at the present value of the lease payments. For operating leases with a term of 12 months or less, a lessee is permitted to make an accounting policy election not to recognize lease assets and liabilities. For public business entities, the guidance is effective for fiscal years beginning after December 15, 2018, including interim periods within those fiscal years. Early application of the guidance is permitted. In transition, entities are required to recognize and measure leases at the beginning of the earliest period presented using a modified retrospective approach. In July 2018, the FASB issued a new pronouncement, ASU 2018-10. The ASU provides narrow amendments to clarify how to apply certain aspects of the new lease standard. This ASU clarifies issues such as residual value guarantees, rate implicit in the lease lessee and reassessment of lease classification. In July 2018, the FASB issued ASU No. 2018-11, Leases (Topic 842): Targeted Improvements, which amends FASB accounting Standards Codification (ASC) Topic 842, Leases, to (1) add an optional transition method that would permit entities to apply the new requirements by recognizing a cumulative-effect adjustment to the opening balance of retained earnings in the year of adoption, and (2) provide a practical expedient for lessors regarding the separation of the lease and non-lease components of a contract. The ASU affects the amendments in ASU No. 2016-02, which are not yet effective, but for which early adoption upon issuance is permitted. For entities that have not adopted Topic 842, the effective date and transition requirements will be the same as the effective date and transition requirements in Topic 842. The Group has assessed all potential impacts of the new guidance and have determined that this guidance will have an impact on the consolidated financial statements, including significant new disclosures about leasing activities. The most significant impact relates to the Group's operating leases and the related recognition of right-of-use assets and lease liabilities in the consolidated balance sheet. The adoption of this new guidance will not have a material impact on the Group's consolidated statements of operations, cash flows or changes in equity. The Group will adopt this new guidance on January 1, 2019 using the transition method provided by ASU 2018-11. On adoption, the Group will elect the package of practical expedients.

YIRENDAI LTD.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — continued
FOR THE YEARS ENDED DECEMBER 31, 2016, 2017 AND 2018
(Amounts in thousands, except for share and per share data, or otherwise noted)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES — continued

Significant risks and uncertainties — continued

Recent accounting pronouncements not yet adopted — continued

In June, 2016, the FASB issued a new pronouncement ASU 2016-13, Financial Instruments — Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments, which is intended to improve financial reporting by requiring timelier recording of credit losses on loans and other financial instruments held by financial institutions and other organizations. The ASU requires the measurement of all expected credit losses for financial assets held at the reporting date based on historical experience, current conditions, and reasonable and supportable forecasts. Financial institutions and other organizations will now use forward-looking information to better inform their credit loss estimates. Many of the loss estimation techniques applied today will still be permitted, although the inputs to those techniques will change to reflect the full amount of expected credit losses. Organizations will continue to use judgment to determine which loss estimation method is appropriate for their circumstances. The ASU requires enhanced disclosures to help investors and other financial statement users better understand significant estimates and judgments used in estimating credit losses, as well as the credit quality and underwriting standards of an organization's portfolio. These disclosures include qualitative and quantitative requirements that provide additional information about the amounts recorded in the financial statements. In addition, the ASU amends the accounting for credit losses on available-for-sale debt securities and purchased financial assets with credit deterioration. The ASU is effective for SEC filers for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2019. Early application will be permitted for all organizations for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2018. The Group is currently evaluating the impact of the adoption of ASU 2016-13 will have on its consolidated financial statements.

In June 2018, the FASB issued a new pronouncement, ASU 2018-07, which intended to reduce cost and complexity and to improve financial reporting for nonemployee share-based payments. The ASU expands the scope of Topic 718, Compensation—Stock Compensation (which currently only includes share-based payments to employees) to include share-based payments issued to nonemployees for goods or services. Consequently, the accounting for share-based payments to nonemployees and employees will be substantially aligned. The ASU supersedes Subtopic 505-50, Equity—Equity-Based Payments to Non-Employees. The amendments in this ASU are effective for public companies for fiscal years beginning after December 15, 2018, including interim periods within that fiscal year. Early adoption is permitted, but no earlier than a company's adoption date of Topic 606, Revenue from Contracts with Customers. The Group does not believe this standard will have a material impact on its consolidated financial statements.

In August 2018, the FASB issued ASU 2018-13, Fair Value Measurement (Topic 820). The amendments in ASU 2018-13 eliminate the requirements to disclose the amount and reasons for transfers between Level 1 and Level 2 of the fair value hierarchy, valuation processes for Level 3 fair value measurements, and policy for timing of transfers between levels. ASU 2018-13 also provides clarification in the measurement uncertainty disclosure by explaining that the disclosure is to communicate information about the uncertainty in measurement as of the reporting date. In addition, ASU 2018-13 added the following requirements: changes in unrealized gains and losses for the period included in other comprehensive income for recurring Level 3 fair value measurements held at the end of the reporting period; and range and weighted average of significant unobservable inputs used in Level 3 fair value measurements. Finally, ASU 2018-13 updated language to further encourage entities to apply materiality when considering de minimus for disclosure requirements. The guidance will be applied retrospectively for fiscal years beginning after December 15, 2019, and interim periods within those fiscal years, with the exception of amendments to changes in unrealized gains and losses, the range and weighted average of significant unobservable inputs used for Level 3 fair value measurements, and the narrative description of measurement uncertainty which will be applied prospectively. Early adoption is permitted. The Group is in the process of evaluating the impact that this guidance will have on its consolidated financial statements.

YIRENDAI LTD.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — continued
FOR THE YEARS ENDED DECEMBER 31, 2016, 2017 AND 2018
(Amounts in thousands, except for share and per share data, or otherwise noted)

3. PREPAID EXPENSES AND OTHER ASSETS

	December 31, 2017	December 31, 2018
	RMB	RMB
Funds receivable from external payment network providers (i)	855,363	295,032
Loans to third parties (ii)	—	172,071
Funds receivable from insurance and guarantee companies (iii)	—	141,323
Prepaid VAT and surcharge tax	162,996	45,872
Prepaid expense	23,447	31,612
Others	27,184	43,386
Total	1,068,990	729,296

(i) The Group opened accounts with external online payment service providers to collect and transfer loan funds and interest to investors or borrowers, repay and collect the default loan principal and interest. The Group also uses such accounts to collect the transaction fee and service fee. The balance of funds receivable from external payment network providers mainly includes accumulated amounts of transaction fee, service fee received at the balance sheet date.

(ii) The balance represents the remaining outstanding balance of a three-year loan of RMB217 million to an asset management company, carrying annual interest of 4.90% and a one-year loan of RMB60 million to a third-party guarantee company made in 2018, free of interest.

(iii) The balance represents deposit made to the insurance and guarantee companies' accounts associated with credit assurance program and PICC's surety insurance program as disclosed in Note 2.

4. FAIR VALUE OF ASSETS AND LIABILITIES

Assets and Liabilities Recorded at Fair Value

The Group does not have assets or liabilities measured at fair value on a non-recurring basis.

The following tables present the fair value hierarchy for assets and liabilities measured at fair value on a recurring basis subsequent to initial recognition:

December 31, 2017	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs	Balance at Fair Value
	RMB	RMB	RMB	RMB
Assets				
Cash and cash equivalents	1,857,175	—	—	1,857,175
Restricted cash	1,805,693	—	—	1,805,693
Loans at fair value	—	—	791,681	791,681
Available-for-sale investments	34,753	928,500		963,253
Total Assets	**3,697,621**	**928,500**	**791,681**	**5,417,802**
Liabilities				
Payable to investors at fair value	—	—	113,445	113,445
Total Liabilities	**—**	**—**	**113,445**	**113,445**

December 31, 2018	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs	Balance at Fair Value
	RMB	RMB	RMB	RMB
Assets				
Cash and cash equivalents	2,028,748	—	—	2,028,748
Restricted cash	102,163	—	—	102,163
Loans at fair value	—	—	1,075,097	1,075,097
Available-for-sale investments	82,465	750,000	—	832,465
Total Assets	**2,213,376**	**750,000**	**1,075,097**	**4,038,473**
Liabilities				
Payable to investors at fair value	—	—	7,693	7,693
Total Liabilities	**—**	**—**	**7,693**	**7,693**

In accordance with ASC 820, the Group measures available-for-sale investments at fair value on a recurring basis. The fair values of the Group's available-for-sale investments are determined based on the discounted cash flow model using the discount curve of market interest rates.

YIRENDAI LTD.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — continued
FOR THE YEARS ENDED DECEMBER 31, 2016, 2017 AND 2018
(Amounts in thousands, except for share and per share data, or otherwise noted)

4 FAIR VALUE OF ASSETS AND LIABILITIES— continued

Assets and Liabilities Recorded at Fair Value — continued

As the Group's loans and related payable to investors do not trade in an active market with readily observable prices, the Group uses discounted cash flow methodology involving significant unobservable inputs to measure the fair value of these assets and liabilities, including discount rate, default and recovery rates, and prepayment rates. Financial instruments are categorized in the Level 3 valuation hierarchy based on the significance of unobservable factors in the overall fair value measurement. As of December 31, 2015 and 2016, due to the adoption of ASU 2014-13, the payable to investors of the Consolidated ABFE was measured on the basis of the fair value of the loans of the Consolidated ABFE as the loans were determined to be more observable. The Group did not transfer any assets or liabilities in or out of level 3 during the years ended December 31, 2017 and 2018.

Significant Unobservable Inputs

Financial Instrument	Unobservable Input	December 31, 2017 Range of Inputs Weighted- Average	December 31, 2018 Range of Inputs Weighted- Average
Loans and payable to investors	Discount rates	12.0%	12.0%-16.4%
	Net cumulative expected loss rates (1)	9.9%-11.1%	9.9%-17.4%
	Cumulative prepayment rates (2)	13.6%	14.8%

(1) Expressed as a percentage of the loan volume.
(2) Expressed as a percentage of remaining principal of loans.

The above inputs in isolation can cause significant increases or decreases in fair value. Specifically, increases in the discount rate can significantly lower the fair value of loans; conversely a decrease in the discount rate can significantly increase the fair value of loans. The discount rate is determined based on the market rates.

The following table presents additional information about Level 3 loans, payable to investors measured at fair value on a recurring basis for the years ended December 31, 2017 and 2018.

	Loans	Payable to investors
	RMB	RMB
Balance at December 31, 2016	371,033	418,686
Purchases of loans	752,801	—
Contribution from investors of Consolidated ABFE	—	197,730
Collection of principal	(270,278)	—
Interest and penalties received	—	50,294
Deductible expenses associated with the Consolidated ABFE operating	—	(8,691)
Principal and interest payments to investors of Consolidated ABFE	—	(522,823)
Change in fair value	(61,875)	(21,751)
Balance at December 31, 2017	791,681	113,445
Changes in fair value related to balance outstanding at December 31, 2017	(66,678)	(13,394)

	Loans	Payable to investors
	RMB	RMB
Balance at December 31, 2017	791,681	113,445
Purchases of loans	1,149,731	—
Collection of principal	(861,994)	—
Interest and penalties received	—	268,565
Deductible expenses associated with the Consolidated ABFE operating	—	(27,376)
Principal and interest payments to investors of Consolidated ABFE	—	(96,336)
Change in fair value	(4,321)	(250,605)
Balance at December 31, 2018	1,075,097	7,693
Changes in fair value related to balance outstanding at December 31, 2018	(3,545)	(250,171)

YIRENDAI LTD.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — continued
FOR THE YEARS ENDED DECEMBER 31, 2016, 2017 AND 2018
(Amounts in thousands, except for share and per share data, or otherwise noted)

4. FAIR VALUE OF ASSETS AND LIABILITIES— continued

Financial Instruments Not Recorded at Fair Value

Financial instruments, including restricted cash, accounts receivable, accounts payable, held-to-maturity investments and amounts due from/to related parties are not recorded at fair value. The fair values of these financial instruments are approximate their carrying value reported in the consolidated balance sheets due to the short-term nature of these assets and liabilities.

5. INVESTMENTS

Held-to-maturity securities

As of December 31, 2018, the Group's held-to-maturity investments mainly consisted of principal-guaranteed products that have stated maturity within one year. While these fixed-income financial products are not publicly traded, the Group estimated that their fair value approximated their amortized costs considering their short-term maturities and high credit quality. No OTTI loss was recognized for the years ended December 31, 2017 and 2018.

Available-for-sale securities

As of December 31, 2018, the Group's available-for-sale investments mainly consisted of investments in debt securities. The Group measured the available-for-sale investments at fair value, with changes in fair value deferred in other comprehensive income. Changes in fair value of the available-for-sale investments, net of tax, for the year ended December 31, 2017 and 2018 were RMB411 and RMB2,414, respectively, recorded in other comprehensive income. No OTTI loss was recognized during the year of 2017 and 2018.

Interest income of investments of RMB72,649 and RMB36,011 were recognized in the consolidated statements of operations for the years ended December 31, 2017 and 2018, respectively.

The following table presents additional information about cost and fair value of available-for-sale investments as of December 31, 2017 and 2018:

	December 31, 2017				
	Cost	Gross unrecognized holding gains / (losses)	Unrealized gain in accumulated other comprehensive income	Impact of exchange rate	Fair value
Available-for-sale investments:					
Debt securities	963,660	—	(411)	4	963,253

	December 31, 2018				
	Cost	Gross unrecognized holding gains / (losses)	Unrealized gain in accumulated other comprehensive income	Impact of exchange rate	Fair value
Available-for-sale investments:					
Debt securities	835,404	—	(2,825)	(114)	832,465

6. PROPERTY, EQUIPMENT AND SOFTWARE, NET

	December 31, 2017	December 31, 2018
	RMB	RMB
Computer and transmission equipment	84,194	116,000
Furniture and office equipment	2,767	3,711
Leasehold improvements	6,999	9,825
Software	25,106	30,838
Total property, equipment and software	119,066	160,374
Accumulated depreciation and amortization	36,817	70,543
Property, equipment and software, net	82,249	89,831

Depreciation and amortization expense on property, equipment and software for the years ended December 31, 2016, 2017 and 2018 were RMB10,609 , RMB23,729 and RMB39,434, respectively.

YIRENDAI LTD.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — continued
FOR THE YEARS ENDED DECEMBER 31, 2016, 2017 AND 2018
(Amounts in thousands, except for share and per share data, or otherwise noted)

7. ACCRUED EXPENSES AND OTHER LIABILITIES

	December 31, 2017	December 31, 2018
	RMB	RMB
Accrued payroll and welfare	56,730	52,130
Tax payable	785,217	213,282
Accrued customer incentives	197,816	205,072
Accrued advertisement expense	169,827	130,203
Payable to investor of beneficiary rights under repurchase agreement (Note 2)	50,000	22,624
Funds collected on behalf of third-party guarantee companies (i)	—	231,467
Long-term borrowings (ii)	—	192,419
Other accrued expenses	37,060	41,175
Total accrued expenses and other current liabilities	1,296,650	1,088,372

(i) Funds collected on behalf of third-party guarantee companies include the guarantee fee of RMB165 million and guarantee funds of RMB66 million under the credit assurance program as disclosed in Note 2.

(ii) In June 2018, the Group entered into funding arrangements with a financial institution, with principal amount of RMB324 million. The final due date is 36 months after the signing date, and the annual interest rate is 11%. The borrowings are recognized at amortized cost.

8. RELATED PARTY BALANCES AND TRANSACTIONS

The Group accounts for related party transactions based on various services agreements and reflects for all periods presented herein. Below summarizes the major related parties and their relationships with the Group, and the nature of their services provided to the Yirendai Business:

Company name	Relationship with the Group	Major transaction with the Group
CreditEase Huimin Investment Management (Beijing) Co., Ltd. (“CreditEase Huimin”)	Consolidated VIE of CreditEase	Borrower acquisition and referral services from the Group
Tian Da Xin An	Subsidiary of consolidated VIE of CreditEase (until February 2018)	Guarantee services
Pucheng Credit Assessment and Management (Beijing) Co., Ltd. (“Pucheng Credit”)	Consolidated VIE of CreditEase	Credit assessment and collection services and guarantee services
CreditEase Puhui	Consolidated VIE of CreditEase	Borrower acquisition and referral services to/from the Group and guarantee services
Puxin Hengye Technology Development (Beijing) Co., Ltd. (“Puxin Hengye”)	Subsidiary of CreditEase	System support services
CreditEase Zhuoyue Wealth Investment & Management (Beijing) Co., Ltd. (“CreditEase Zhuoyue”)	Consolidated VIE of CreditEase	Investor acquisition and referral services
Beijing Zhicheng Credit Service Co., Ltd. (“Beijing Zhicheng”)	Consolidated VIE of CreditEase	Identity verification services
CreditEase	Parent Company	Paid in capital and loan
Hainan CreditEase Puhui Small Loan Co., Ltd. (“Hainan CreditEase”)	Consolidated VIE of CreditEase	Collection of fee from customer on behalf of the Group
CreditEase Bocheng Insurance Sales and Service Co., Ltd. (“CreditEase Bocheng”)	Consolidated VIE of CreditEase	Customer referral services from the Group
CreditEase Wealth Management (Hong Kong) Co., Ltd. (“CreditEase Wealth Management”)	Consolidated VIE of CreditEase	Medical insurance payment

(Amounts in thousands, except for share and per share data, or otherwise noted)

8. RELATED PARTY BALANCES AND TRANSACTIONS — continued

The following table presents information about cost and expense incurred for services provided by CreditEase for the years ended December 31, 2016, 2017 and 2018, which will be continuously provided by CreditEase:

	Years ended December 31,		
	2016	2017	2018
	RMB	RMB	RMB
Collection service	11,895	96,276	280,880
Acquisition and referral service	818,678	1,080,731	959,232
System support service	72,023	133,184	125,387
Credit assessment service	9,140	15,359	12,754
Cash process service	—	377	—
Total cost and expense	911,736	1,325,927	1,378,253

The Group also provides borrower/customer acquisition and referral services to CreditEase Puhui from April 1, 2015, CreditEase Huimin from February 1, 2017, and CreditEase Bocheng from May 1, 2017. The borrowers' acquisition and referral revenue amounted to RMB1,931, RMB19,945 and RMB385 for the years ended December 31, 2016,2017 and 2018, respectively.

In addition, the Group obtained a worldwide and royalty-free license from CreditEase to use its trademarks and used the proprietary systems developed by CreditEase free of charge.

From August 2017 to December 2017, the Group cooperated with Chouzhou Bank. Under the arrangement, the Group is obligated to repay the bank on behalf of defaulting borrowers if any repayment is 80 days overdue and upon the full repayment, the Group will obtain the creditor's rights in respect of relevant default amount. The Group's affiliates, Pucheng Credit and CreditEase Puhui, provide joint-guarantee with the Group, free of charge.

Details of related party balances as of December 31, 2017 and 2018 are as follows:

(i) Amounts due from related parties

	December 31, 2017	December 31, 2018
	RMB	RMB
CreditEase Huimin(Note a)	16,875	17,111
CreditEase Bocheng	13	3
Pucheng Credit (Note b)	100,334	104,350
Total	117,222	121,464

(ii) Amounts due to related parties

	December 31, 2017	December 31, 2018
	RMB	RMB
CreditEase Puhui (Notes c and d)	53,536	116,839
Puxin Hengye (Note c)	9,273	4,183
Pucheng Credit (Note c)	6,738	100,471
Beijing Zhicheng (Note c)	1,390	2,410
CreditEase Zhuoyue (Note c)	682	—
Tian Da Xin An (Note e)	2,657	—
Hainan CreditEase (Note f)	2,268	6,753
Total	76,544	230,656

8. RELATED PARTY BALANCES AND TRANSACTIONS — continued

(a) Amounts due from CreditEase Huimin relate to borrowers referral service provided by the Group.

(b) Amounts due from Pucheng Credit relate to the loan provided by the Group. This is a one-year loan with an annual interest rate of 4.35%. The principal and accrued interests of which will be paid upon maturity. The agreement has been renewed at the date of expiry with the same clauses.

(c) Amounts relate to the provision of credit assessment, collection, system support, identity verification, borrowers and investors acquisition and referral services by the related parties to Heng Cheng and Heng Ye.

(d) Since April 2015, the Group also provides borrower acquisition and referral service to CreditEase Puhui, receivables from CreditEase Puhui in relation to such service is netted off with amount due to CreditEase Puhui.

(e) Under the guarantee model, for providing the guarantee service to the investors on the principal and interest, Tian Da Xin An charges the investors at a rate of 10% based on monthly interest on loans as servicing fee, which is to be collected by the Group on behalf of the guarantee company. The Group pays the investors the principal and interest on loans that default, and collects the associated unpaid transaction fee in accordance with the guarantee arrangement from Tian Da Xin An. The balance of amount due to Tian Da Xin An as of December 31, 2017 represents the net amount of service fee payable and the receivable amount arising from guarantee service, including default principal and interest on loans as well as the associated default uncollectible transaction fee. Since February 2018, Tian Da Xin An is no longer a related party of the Group as the shareholders of Tian Da Xin An was changed into unrelated parties.

(f) Amounts due to Hainan CreditEase mainly represent fees collected from customer on behalf of Hainan CreditEase.

9. INCOME TAXES

Yirendai is a company incorporated in the Cayman Islands. Under the current laws of the Cayman Islands, Yirendai is not subject to tax on either income or capital gain.

Under the current Hong Kong Inland Revenue Ordinance, Yirendai HK is subject to 16.5% income tax on its taxable income generated from operations in Hong Kong.

Under the PRC Enterprise Income Tax Law (the "EIT Law"), the standard enterprise income tax rate for domestic enterprises and foreign invested enterprises is 25%. Heng Ye was recognized as a Software Enterprise and thereby entitled to full exemption from EIT for two years beginning with its first profitable year, i.e., 2015 and 2016, and a 50% reduction for the subsequent three years. In addition, Heng Yu Da has been recognized as within encouraged industries in the Western Regions of China and enjoyed a preferential income tax rate of 15%. Yirendai's other subsidiaries and consolidated VIEs established in the PRC are subject to income tax rate of 25%, according to the EIT Law. The Consolidated ABFE are not subject to income tax.

Under the EIT Law and its implementation rules which became effective on January 1, 2008, dividends generated after January 1, 2008 and payable by foreign-invested enterprise in PRC to its foreign investors who are non-resident enterprises are subject to a 10% withholding tax, unless any such foreign investor's jurisdiction of incorporation has a tax treaty with PRC that provides for a different withholding arrangement. Under the taxation arrangement between the PRC and Hong Kong, a qualified Hong Kong tax resident which is the "beneficial owner" and directly holds 25% or more of the equity interest in a PRC resident enterprise is entitled to a reduced withholding tax rate of 5%. The Cayman Islands, where the Company is incorporated, does not have a tax treaty with PRC.

Since January 1, 2014, the relevant tax authorities of the Group's subsidiaries have not conducted a tax examination on the Group's PRC entities. In accordance with relevant PRC tax administration laws, tax years from 2014 of the Group's PRC subsidiaries and VIEs, remain subject to tax audits as of December 31, 2018, at the tax authority's discretion.

(Amounts in thousands, except for share and per share data, or otherwise noted)

9. INCOME TAXES — continued

Uncertainties exist with respect to how the current income tax law in the PRC applies to the Group's overall operations, and more specifically, with regard to tax residency status. The EIT Law includes a provision specifying that legal entities organized outside of the PRC will be considered residents for Chinese income tax purposes if the place of effective management or control is within the PRC. The implementation rules to the EIT Law provide that non-resident legal entities will be considered China residents if substantial and overall management and control over the manufacturing and business operations, personnel, accounting, properties, etc., occurs within the PRC. Despite the present uncertainties resulting from the limited PRC tax guidance on the issue, the Group does not believe that the legal entities organized outside of the PRC within the Group should be treated as residents for EIT law purposes. If the PRC tax authorities subsequently determine that the Company and its subsidiaries registered outside the PRC should be deemed resident enterprises, the Company and its subsidiaries registered outside the PRC will be subject to the PRC income taxes, at a rate of 25%.

Income tax expense/ (benefit) is comprised of the following:

	December 31, 2016	December 31, 2017	December 31, 2018
	RMB	RMB	RMB
Current tax (i)	246,591	734,617	(474,874)
Deferred tax (i)	(260,540)	(353,410)	669,161
Total	(13,949)	381,207	194,287

Reconciliation between the income tax at PRC statutory tax rate and income tax expense is as follows:

	Year ended December 31,		
	2016	2017	2018
	RMB	RMB	RMB
Income before provision for income taxes	1,102,449	1,752,990	1,160,892
Statutory tax rate in the PRC	25%	25%	25%
Income tax at statutory tax rate	275,612	438,248	290,223
Non-deductible expenses	2,101	15,968	485
Effect of income not taxable	—	—	(28,996)
Effect of tax holiday and preferential tax rate	(265,545)	(167,870)	(93,121)
Effect of tax losses not recognized	165	299	903
Adjustment on current income tax of the previous periods (ii)	(33,633)	(44)	(7,119)
Effect of different tax rates of subsidiaries operating in other jurisdictions	7,351	23,329	23,189
Effect of withholding income tax	—	71,277	8,723
Income tax (benefit) / expense	(13,949)	381,207	194,287

The aggregate amount and per share effect of the tax holiday and preferential tax rate are as follows:

	Year ended December 31,		
	2016	2017	2018
	RMB	RMB	RMB
The aggregate amount of tax holiday and preferential tax rate	265,545	167,870	93,121
The aggregate effect on basic and diluted net income per share:			
- Basic	2.2458	1.3936	0.7618
- Diluted	2.2326	1.3731	0.7492

(i) As discussed in Note 2, starting from May 2018, the Group no longer provides quality assurance services to investors and related assurance program liability was derecognized. The reversal of deferred tax assets associated with assurance program liability resulted in a decrease in deferred tax assets with a corresponding decrease in income tax payable. As a result, the current tax portion of income tax expense for the year ended December 31, 2018 was a net income tax benefit.

(ii) Adjustment on current income tax of the previous periods represented the adjustment according to final annual income tax filing with the PRC tax authorities.

YIRENDAI LTD.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — continued
FOR THE YEARS ENDED DECEMBER 31, 2016, 2017 AND 2018
(Amounts in thousands, except for share and per share data, or otherwise noted)

9. INCOME TAXES — continued

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. The components of the deferred tax assets are as follows:

	December 31, 2017 RMB	December 31, 2018 RMB
Deferred tax assets: (i)		
Liabilities from quality assurance program and guarantee	696,237	1,244
Deferred revenue	55,727	68,956
Refund liability	—	63,092
Accrued expenses	49,125	50,844
Total	801,089	184,136
Deferred tax liabilities: (i)		
Withholding tax on cash dividend from PRC	11,277	—
Contract assets, net	—	467,997
Contract cost	—	34,906
Total	11,277	502,903

(i) Deferred tax assets and deferred tax liabilities as of December 31, 2018 included the cumulative adjustment upon adoption of ASC 606 as of January 1, 2018, which was 16,746 and 456,165 respectively.

Management assesses the available positive and negative evidence to estimate if sufficient future taxable income will be generated to utilize the existing deferred tax assets. On the basis of this evaluation, as of December 31, 2017 and 2018, no allowance has been recorded for the deferred tax assets.

The authoritative guidance requires that the Group recognizes the impact of a tax position in the financial statements if that position is more likely than not of being sustained upon audit by the tax authority, based on the technical merits of the position. Under PRC laws and regulations, arrangements and transactions among related parties may be subject to examination by the PRC tax authorities. If the PRC tax authorities determine that the contractual arrangements among related companies do not represent a price under normal commercial terms, they may make adjustments to the companies' income and expenses. A transfer pricing adjustment could result in additional tax liabilities.

The Group did not identify significant unrecognized tax benefits for the years ended December 31, 2016, 2017 and 2018. The Group did not incur any interest related to unrecognized tax benefits, did not recognize any penalties as income tax expenses and also does not anticipate any significant change in unrecognized tax benefits within 12 months from December 31, 2017.

Under the EIT Law and its implementation rules, a withholding tax at 10%, unless reduced by a tax treaty or arrangement, is applied on dividends received by non-PRC-resident corporate investors from PRC-resident enterprises, such as the Company's PRC subsidiaries. Under the China-HK Tax Arrangement and the relevant regulations, a qualified Hong Kong tax resident which is the "beneficial owner" and holds 25% equity interests or more of a PRC enterprise is entitled to a reduced withholding rate of 5%. The Company believes that Yirendai HK will apply the 10% withholding tax rate. On July 29, 2017, the board of directors (the "Board") of the Company approved a special cash dividend of RMB5.0845 (US$0.75) per ordinary share of the Company (or RMB10.1690 (US$1.50) per American depositary share of the Company, which was paid on October 16, 2017 to holders of the Company's ordinary shares of record as of the close of business on September 29, 2017. On July 29, 2017, the Board also approved a semi-annual dividend policy. Under this policy, semi-annual dividends will be set at an amount equivalent to approximately 15% of the Company's anticipated net income after tax in each half year commencing from the second half of 2017, which will be derived from the earnings of the Group's PRC. As a result, the Company incurred and paid withholding tax of RMB60.0 million for the special cash dividend in August 2017, and accrued deferred tax liabilities of RMB11.28 million related to semi-annual dividends as of December 31, 2017, which was subsequently paid in May, 2018. On August 14, 2018, the Board decided to terminate the Semi-annual Dividend Policy going forward. As a result, no dividend was announced and no withholding tax was recorded in 2018.

Aggregate undistributed earnings of the Company's VIE companies located in the PRC that are available for distribution to the Company were approximately RMB2,061.5 million as of December 31, 2018. A deferred tax liability should be recorded for taxable temporary differences attributable to the excess of financial reporting amounts over tax basis amount in domestic subsidiaries and VIEs. However, aggregate undistributed earnings of the Company's subsidiaries and VIEs located in the PRC that are available for distribution at December 31, 2018 are considered to be indefinitely reinvested and accordingly, no provision has been made for the Chinese dividend withholding taxes that would be payable upon the distribution of those amounts to any entity within the Group that is outside the PRC.

YIRENDAI LTD.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — continued
FOR THE YEARS ENDED DECEMBER 31, 2016, 2017 AND 2018
(Amounts in thousands, except for share and per share data, or otherwise noted)

10. SHARE-BASED COMPENSATION

Share incentive plan

In September 2015, the Company adopted the 2015 Share Incentive Plan (the "2015 Plan"), and in July 2017, the Company adopted the 2017 Share Incentive Plan (the "2017 Plan"), which permits the grant of three types of awards: options, restricted shares and restricted share units. Persons eligible to participate in the 2015 Plan and the 2017 Plan includes employees (including part-time employees) and directors of the company or any of affiliates, which include the Company's parent company, subsidiaries and any entities in which the parent company or a subsidiary of the Company holds a substantial ownership interest. According to resolutions of the board of directors and the shareholders of the Company in July 2017, the 2015 Plan was amended. Under the amended 2015 plan, the maximum ordinary shares available for issuance were decreased to 3,939,100. Under the 2017 Plan, the maximum of 6,060,900 ordinary shares were reserved for issuance.

The Company approved three grants of restricted share units to directors and employees of the Group and CreditEase and its consolidated subsidiaries and VIEs. On July 1, 2016, 4,034,100 restricted share units was granted under 2015 Plan. On July 1, 2017 and 2018, 3,744,782 and 2,488,540 restricted share units was granted under 2017 Plan. Approximately 59.9%, 34.1% and 31.9% of the share awards were immediately vested and the rest is expected to be vested in various days up to four and five years, respectively. The grant date fair value of the awards was US$7.25, US$12.50 and US$10.61 per ordinary share, which was determined based on the closing price of the Company's ADSs on NYSE on July 1, 2016, 2017 and 2018, respectively.

Out of all the restricted shares granted, 524,000 restricted share units were granted to directors and employees of the Group under 2015 Plan, 2,251,202 and 1,071,040 restricted share units under 2017 Plan. The awards granted to the employees of the Group are recognized as share-based compensation expense and measured based on the fair value as of the grant date. The Company recognized compensation expenses in general and administrative expense of RMB17,223, RMB81,979 and RMB85,188 for the years ended December 31, 2016, 2017 and 2018.

The remaining 3,510,100 restricted shares were granted to employees of CreditEase and its consolidated subsidiaries and VIEs under 2015 Plan, 1,493,580 and 1,417,500 restricted share units under 2017 Plan. The awards granted to employees of CreditEase and its subsidiaries were deemed dividend from the Company to Parent as the employees of CreditEase do not provide service directly related to the Company. The awards are measured based on the fair value as of the grant date. The amount recognized as deemed dividend were RMB124,210, RMB108,604 and RMB84,927 for the years ended December 31, 2016,2017 and 2018 respectively.

Restricted Share Units

The following table sets forth a summary of restricted share units activities:

	Number of Restricted Shares	Weighted-Average Grant-Date Fair Value US$
Outstanding at December 31, 2017	3,227,428	11.02
Granted	2,488,540	10.61
Vested	(1,789,418)	10.61
Forfeited	(240,880)	11.53
Outstanding at December 31, 2018	3,685,670	10.91

As of December 31, 2018, unrecognized compensation cost related to unvested awards granted to employees of the Group, adjusted for estimated forfeitures, was RMB101,193. This cost is expected to be recognized over 3.2 years on an accelerated basis.

As of December 31, 2018, unrecognized deemed dividend related to unvested awards granted to employees of CreditEase and its consolidated subsidiaries and VIEs, adjusted for estimated forfeitures, was RMB54,477. Such deemed dividend will be recorded over 3.1 years on an accelerated basis.

YIRENDAI LTD.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — continued
FOR THE YEARS ENDED DECEMBER 31, 2016, 2017 AND 2018
(Amounts in thousands, except for share and per share data, or otherwise noted)

11. SHARE REPURCHASE PROGRAM

In June 2018, the Company's Board of Directors authorized a share repurchase program under which the Company may repurchase up to US$20 million worth of its ADSs. The share repurchases may be made in accordance with applicable laws and regulations through open market transactions, privately negotiated transactions or other legally permissible means as determined by the management.

During the year ended December 31, 2018, the Company had repurchased 2,000 ADSs for RMB254 (US$37) on the open market, at a weighted average price of US$18.46 per ADS. The Company accounts for repurchased ordinary shares under the cost method and includes such treasury stock as a component of the shareholders' equity.

12. NET NCOME PER SHARE AND NET INCOME ATTRIBUTABLE TO COMMON STOCKHOLDERS

The following table details the computation of the basic and diluted net income per share:

	Year ended December 31,		
	2016	2017	2018
	RMB	RMB	RMB
Numerator:			
Net income	1,116,398	1,371,783	966,605
Denominator:			
Weighted average number of ordinary shares outstanding, basic	118,240,414	120,457,573	122,244,231
Plus incremental weighted average ordinary shares from assumed vesting of restricted share units using the treasury stock method	696,668	1,799,265	2,044,872
Weighted average number of ordinary shares outstanding, diluted	118,937,082	122,256,838	124,289,103
Basic income per share	9.4418	11.3881	7.9072
Diluted income per share (i)	9.3865	11.2205	7.7771

(i) No RSUs were excluded from the computation of diluted earnings per common share for 2016, 2017 and 2018 because their effect were dilutive.

13. SEGMENT INFORMATION

The Group's chief operating decision maker has been identified as the Chief Executive Officer who reviews the consolidated results of operation when making decisions about allocating resources and assessing performance of the Group. The Group operates and manages its business as a single segment.

All of the Group's revenue for the years ended December 31, 2016, 2017 and 2018 were generated from the PRC.

As of December 31, 2017 and 2018, all of long-lived assets of the Group were located in the PRC.

14. EMPLOYEE BENEFIT PLAN

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, unemployment insurance, employee housing fund and other welfare benefits are provided to employees. The Group accrues for these benefits based on certain percentages of the employees' salaries. The total contribution for such employee benefits were RMB43,874 , RMB66,190 and RMB66,959 for the years ended December 31, 2016, 2017 and 2018, respectively.

(Amounts in thousands, except for share and per share data, or otherwise noted)

15. STATUTORY RESERVES AND RESTRICTED NET ASSETS

In accordance with the PRC laws and regulations, the Company's PRC subsidiaries and VIEs are required to make appropriation to certain statutory reserves, namely general reserve, enterprise expansion reserve, and staff welfare and bonus reserve, all of which are appropriated from net profit as reported in their PRC statutory accounts. The Group's PRC entities are required to appropriate at least 10% of their after-tax profits to the general reserve until such reserve has reached 50% of their respective registered capital.

Appropriations to the enterprise expansion reserve and the staff welfare and bonus reserve are to be made at the discretion of the board of directors of each of the Group's PRC entities. There were no appropriations to these reserves by the Group's PRC entities for the years ended December 31, 2016, 2017 and 2018.

As a result of PRC laws and regulations and the requirement that distributions by the PRC entity can only be paid out of distributable profits computed in accordance with the PRC GAAP, the PRC entity is restricted from transferring a portion of their net assets to the Company. Amounts restricted include paid-in capital, capital reserve and statutory reserves of the Company's PRC entities. As of December 31, 2017 and December 31, 2018, the aggregated amounts of paid-in capital, capital reserve and statutory reserves represented the amount of net assets of the relevant entity in the Group not available for distribution amounted to RMB926,417, and RMB669,291, respectively (including the statutory reserve fund of RMB305,512 and RMB50,386 as of December 31, 2017 and 2018, respectively).

16. COMMITMENTS AND CONTINGENCIES

Operating lease as lessee

The Group leases certain office premises under non-cancelable leases. Rental expenses under operating leases for the years ended December 31, 2016, 2017 and 2018 were RMB22,835, RMB21,575, RMB26,040, respectively.

Future minimum lease payments under non-cancelable operating leases agreements are as follows:

Years ending	RMB
2019	18,087
2020	18,106
2021	16,769
2022	1,359
2023 and thereafter	—

Contingencies

Before July 2018, the Group had not made adequate contributions to employee benefit plans as required by applicable PRC laws and regulations. The related amount has been fully accrued.

The Group has no reasonably possible losses in addition to amounts accrued as of December 31, 2017 and 2018.

17. SUBSEQUENT EVENTS

In March 25, 2019, the Group entered into definitive agreements relating to a business realignment with CreditEase, the controlling shareholder of the Group, to better serve its investors and borrowers. Pursuant to the definitive agreements, the Group will assume certain business operations, including online wealth management targeting the mass affluent, unsecured and secured consumer lending, financial leasing, SME lending, and other related services or businesses (the "Target Businesses") from CreditEase and its affiliates, for a total consideration of 106,917,947 newly issued ordinary shares of the Group and RMB889 million cash, as may be adjusted in accordance with the pre-agreed mechanism, at the transaction closing. Ning Tang, the executive chairman of the Group, who is also the founder, chairman and CEO of CreditEase, will assume the Chief Executive Officer role of the Group upon the closing of the transactions. CreditEase has also agreed not to compete with the Group and to provide business consulting and other support and license certain intellectual properties to the Group. The transactions contemplated under the definitive agreements are subject to certain closing conditions. It is expected that the Target Businesses will be consolidated into the Group's consolidated financial statements prior to the closing of the transactions once controls are transferred to the Group.

Exhibit 4.7

Execution Version

AMENDED AND RESTATED
TRANSITIONAL SERVICES AGREEMENT

Between

CREDITEASE HOLDINGS (CAYMAN) LIMITED

and

YIRENDAI LTD.

Dated as of March 25, 2019

TABLE OF CONTENTS

AMENDED AND RESTATED
TRANSITIONAL SERVICES AGREEMENT

This Amended and Restated Transitional Services Agreement (this "**Agreement**") is dated as of March 25, 2019, by and between CreditEase Holdings (Cayman) Limited, an exempted company with limited liability incorporated under the laws of the Cayman Islands ("**CreditEase**"), on behalf of itself and other members of CreditEase Group, and Yirendai Ltd., a company incorporated under the laws of the Cayman Islands ("**Yirendai**" and, together with CreditEase, the "**Parties**"), on behalf of itself and other members of Yirendai Group.

RECITALS

WHEREAS, Yirendai is a leading fintech company in China and its ADSs (as defined below) are listed and traded on the New York Stock Exchange;

WHEREAS, CreditEase, being the parent company and controlling shareholder of Yirendai, desires to transfer or cause its controlled entities to transfer to the Yirendai Group certain assets, rights and obligations in connection with certain target business, and Yirendai desires issue certain Ordinary Shares (as defined below) of Yirendai to CreditEase, in accordance with the Share Subscription Agreement, dated the date hereof, by and between the Parties (the "**Share Subscription Agreement**") and the Specified Transaction Documents (as defined in the Share Subscription Agreement);

WHEREAS, Yirendai and CreditEase entered into a Transitional Services Agreement, dated November 9, 2015 (the "**Prior Agreement**"), prior to the consummation of the initial public offering of Yirendai; and

WHEREAS, the Parties intend to alter the scope of the services subject to the Prior Agreement and make certain other modifications to the Prior Agreement by amending and restating the Prior Agreement.

NOW, THEREFORE, in consideration of the mutual agreements, covenants and provisions contained in this Agreement, the Parties, intending to be legally bound, agree that the Prior Agreement shall be amended and restated in its entirety to read as follows:

ARTICLE 1

DEFINITIONS

Section 1.1 Capitalized terms used and not otherwise defined herein will have the meanings ascribed to such terms in the Master Transaction Agreement. Capitalized terms used in the Schedule but not otherwise defined therein, will have the meaning ascribed to such word in this Agreement. For purposes of this Agreement, the following words and phrases will have the following meanings:

"**Actual Cost**" has the meaning set forth in Section 3.1 of this Agreement.

"**Additional Services**" has the meaning set forth in Section 2.2 of this Agreement.

"**ADSs**" means American depositary shares representing Ordinary Shares.

"**Affiliate**" of any Person means a Person that controls, is controlled by, or is under common control with such Person; *provided that*, under this Agreement, "Affiliate" of any member of CreditEase Group excludes members of Yirendai Group, and "Affiliate" of any member of Yirendai Group excludes members of CreditEase Group. As used herein, "control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such entity, whether through ownership of voting securities or other interests, by contract or otherwise.

"**Agreement**" means this Transitional Services Agreement, together with the Schedule hereto, as the same may be amended from time to time in accordance with the provisions hereof.

"**Claims**" has the meaning set forth in Section 5.2(d) of this Agreement.

"**Control Ending Date**" means the earlier of (i) the first date upon which members of the CreditEase Group no longer collectively own at least twenty percent (20%) of the voting power of the then outstanding securities of Yirendai and (ii) the first date upon which CreditEase, collectively with the other members of the CreditEase Group, ceases to be the largest beneficial owner of the then outstanding voting securities of Yirendai (for purposes of this clause (ii), without considering holdings of institutional investors that have acquired Yirendai securities in the ordinary course of their business and not with a purpose nor with the effect of changing or influencing the control of Yirendai).

"**CreditEase**" has the meaning set forth in the preamble of this Agreement.

"**CreditEase Group**" means CreditEase and its subsidiaries and VIEs, other than Yirendai and its subsidiaries and VIE.

"**Dispute**" has the meaning set forth in Section 5.12 of this Agreement.

"**Dispute Resolution Commencement Date**" has the meaning set forth in Section 5.12 of this Agreement.

"**Force Majeure Event**" has the meaning set forth in Section 2.4(b) of this Agreement.

"**Governmental Authority**" means any federal, state, local, foreign or international court, government, department, commission, board, bureau, agency, official or other regulatory, administrative or governmental authority.

"**Indemnitee**" has the meaning set forth in Section 5.2(d) of this Agreement.

"**Indemnitor**" has the meaning set forth in Section 5.2(d) of this Agreement.

"**Information**" means information in written, oral, electronic or other tangible or intangible forms, stored in any medium, including studies, reports, records, books, contracts, instruments, surveys, discoveries, ideas, concepts, know-how, techniques, designs, specifications, drawings, blueprints, diagrams, models, prototypes, samples, flow charts, data, computer data, disks, diskettes, tapes, computer programs or other software, marketing plans, customer names, communications by or to attorneys (including attorney-client privileged communications), memoranda and other materials prepared by attorneys or under their direction (including attorney work product), and other technical, financial, employee or business information or data.

"**Initial Services**" has the meaning set forth in Section 2.1 of this Agreement.

"**IPO Completion Date**" means December 23, 2015, the closing date of Yirendai's initial public offering, on which the delivery of and payment for the securities offered by Yirendai (excluding securities offered by Yirendai upon underwriter(s)' exercise of over-allotment option) in connection with the initial public offering was consummated.

"**Law**" means any law, statute, rule, regulation or other requirement imposed by a Governmental Authority.

"**Master Transaction Agreement**" means the Master Transaction Agreement, dated November 9, 2015, by and between Yirendai and CreditEase.

"**Ordinary Shares**" means the shares of Yirendai, par value $0.0001 per share (including shares represented by ADSs and held of record by the depositary bank for the ADSs).

"**Person**" means an individual, a general or limited partnership, a corporation, a trust, a joint venture, an unincorporated organization, a limited liability entity, any other entity and any Governmental Authority.

"**PRC**" means the People's Republic of China, which, for purposes of this Agreement only, does not include the Hong Kong Special Administrative Region, the Macau Special Administrative Region and Taiwan.

"**Provider**" means, with respect to any particular Service, the entity or entities identified on the Schedule as the party to provide such Service.

"**Provider Personnel**" has the meaning set forth in Section 2.8 of this Agreement.

"**Recipient**" means, with respect to any particular Service, the entity or entities identified on the Schedule as the party to receive such Service.

"**Review Meetings**" has the meaning set forth in Section 2.10 of this Agreement.

"**Schedule**" has the meaning set forth in Section 2.1 of this Agreement.

"**Service Period**" means, with respect to any Service, the period commencing on the IPO Completion Date, and ending on the earliest of (i) the date the Recipient terminates the provision of such Service pursuant to Section 4.2, (ii) the date the Provider terminates the provision of such Service pursuant to Section 4.3, (iii) the fifth anniversary of the date hereof, and (iv) one year after the Control Ending Date.

"**Services**" has the meaning set forth in Section 2.2 of this Agreement.

"**System**" means the software, hardware, data store or maintenance and support components or portions of such components of a set of information assets identified in a Schedule.

"**Tax**" means all forms of direct and indirect taxation or duties imposed, or required to be collected or withheld, including charges, together with any related interest, penalties or other additional amounts.

"**Termination Notice**" has the meaning set forth in Section 4.2 of this Agreement.

"**U.S. GAAP**" means generally accepted accounting principles in the United States as in effect from time to time.

"**VIE**" of any Person means any entity that controls, is controlled by, or is under common control with such Person and is deemed to be a variable interest entity consolidated with such Person for purposes of U.S. GAAP.

"**Work Product**" has the meaning set forth in Section 2.9 of this Agreement.

"**Yirendai**" has the meaning set forth in the preamble of this Agreement.

"**Yirendai Group**" means Yirendai and its subsidiaries and VIE.

ARTICLE 2

SERVICES

Section 2.1 Initial Services. Except as otherwise provided herein, during the applicable Service Period, each Provider agrees to provide, or with respect to any service to be provided by an Affiliate of such Provider, to cause such Affiliate to provide, to the Recipient, or with respect to any service to be provided to an Affiliate of the Recipient, to such Affiliate, the services that have been provided by the Provider and/or its Affiliates to the Recipient or its Affiliate (the "**Initial Services**"), including but not limited to the services set forth on the Schedule (the "**Schedule**") annexed hereto.

Section 2.2 Additional Services. From time to time during the applicable Service Period, the Parties may identify additional services that the Provider will provide to the Recipient in accordance with the terms of this Agreement (the "**Additional Services**" and, together with the Initial Services, the "**Services**"). If the Parties agree to add any Additional Services, the Parties will mutually create a Schedule or amend the existing Schedule for each such Additional Service setting forth the identities of the Provider and the Recipient, a description of such Service, the term during which such Service will be provided, the cost, if any, for such Service and any other provisions applicable thereto. In order to become a part of this Agreement, such amendment to the Schedule must be executed by a duly authorized representative of each Party, at which time such Additional Service will, together with the Initial Services, be deemed to constitute a "Service" for the purposes hereof and will be subject to the terms and conditions of this Agreement. The Parties may, but are not required to, agree on Additional Services during the applicable Service Period. Notwithstanding anything to the contrary in the foregoing or anywhere else in this Agreement, any service actually performed by the Provider upon written or oral request by the Recipient in connection with this Agreement will be deemed to constitute a "Service" for the purposes of Article 3 and Section 5.2, but such "Service" will only be incorporated into this Agreement by an amendment as set forth in this Section 2.2 and Section 5.9. Notwithstanding the foregoing, neither Party will have any obligation to agree to provide Additional Services.

Section 2.3 Scope of Services. Notwithstanding anything to the contrary herein, (i) neither the Provider nor any of its Affiliates will be required to perform or to cause to be performed any of the Services for the benefit of any third party or any other person other than the applicable Recipient or its Affiliates, and (ii) the Provider makes no warranties, express or implied, with respect to the Services, except as provided in Section 2.5.

Section 2.4 Limitation on Provision of Services.

(a) Except as expressly contemplated in the Schedule, neither the Provider nor any of its Affiliates will be obligated to perform or to cause to be performed any Service in a volume or quantity that exceeds a maximum amount that is mutually agreed by the Provider and the Recipient based on the needs of Recipient's business; *provided, however,* that if the Recipient wishes to increase the volume or quantity of such Services provided under this Agreement so as to exceed such maximum amount, the Recipient will make a request to the appropriate Provider in writing in accordance with Section 5.10 at least fifteen (15) days prior to the next Review Meeting setting out in as much detail as reasonably possible the change requested and the reason for requesting the change, which request will be considered at the next Review Meeting. The Provider may, in its sole discretion, choose to accommodate or not to accommodate any such request in part or in full.

(b) In case performance of any terms or provisions hereof will be delayed or prevented, in whole or in part, because of, or related to, compliance with any Law, decree, request or order of any Governmental Authority, either local, state, federal or foreign, or because of riots, war, public disturbance, strike, labor dispute, fire explosion, storm, flood, acts of God, major breakdown or failure of transportation, manufacturing, distribution or storage facilities, or for any other reason which is not within the control of the Party whose performance is interfered with and which by the exercise of reasonable diligence such Party is unable to prevent (each, a "**Force Majeure Event**"), then upon prompt notice by the Party so suffering to the other Party, the Party suffering will be excused from its obligations hereunder during the period such Force Majeure Event continues, and no liability will attach against either Party on account thereof. No Party will be excused from performance if such Party fails to use reasonable diligence to remedy the situation and remove the cause and effect of the Force Majeure Event.

(c) If the Provider is unable to provide a Service hereunder because it does not have the necessary assets because such asset was transferred from the Provider to the Recipient, the Parties will determine a mutually acceptable arrangement to provide the necessary access to such asset and until such time as access is provided, the Provider's failure to provide such Service will not be a breach of this Agreement.

(d) Notwithstanding anything to the contrary contained herein, this Agreement will not constitute an agreement for the Provider to provide Services to the Recipient to the extent that the provision of any such Services would not be in compliance with applicable Laws.

Section 2.5 Standard of Performance; Standard of Care.

(a) The Provider will use its commercially reasonable efforts to provide and cause its Affiliates to provide the Services in a manner which is substantially similar in nature, quality and timeliness to the services provided by the applicable Provider to the applicable Recipient immediately prior to the date hereof; *provided, however*, that nothing in this Agreement will require the Provider to prioritize or otherwise favor the Recipient over any third parties or any of the Provider's or the Provider's Affiliates' business operations. The Recipient acknowledges that the Provider's obligation to provide the Services is contingent upon the Recipient (A) providing in a timely manner all information, documentation, materials, resources and access requested by the Provider and (B) making timely decisions, approvals and acceptances and taking in a timely manner such other actions requested by the Provider, in each case that the Provider (in its reasonable business judgment) believes is necessary or desirable to enable the Provider to provide the Services; *provided, however*, that the Provider requests such approvals, information, materials or services with reasonable prior notice to the extent practicable. Notwithstanding anything to the contrary herein, the Provider shall not be responsible for any failure to provide any Service in the event that the Recipient has not fully complied with the immediately preceding sentence. The Parties acknowledge and agree that nothing contained in the Schedule will be deemed to (A) increase or decrease the standard of care imposed on the Provider, (B) expand the scope of the Services to be provided as set forth in Article 2, except to the extent that the Schedule references a Service that was not provided immediately prior to the date hereof, or (C) limit Sections 5.1 and 5.2.

(b) In providing the Services, except to the extent necessary to maintain the level of Service provided on the date hereof (or with respect to any Additional Service, the agreed-upon level), the Provider will not be obligated to: (A) hire any additional employees or (B) purchase, lease or license any additional equipment, software or other assets; and in no event will the Provider be obligated to (x) maintain the employment of any specific employee or (y) pay any costs related to the transfer or conversion of the Recipient's data to the Provider or any alternate supplier of Services. Further, the Provider will have the right to designate which personnel it will assign to perform the Services, and it will have the right to remove and replace any such personnel at any time or designate any of its Affiliates or a third party provider at any time to perform the Services. At the Recipient's request, the Provider will consult in good faith with the Recipient regarding the specific personnel to provide any particular Services; *provided, however*, that the Provider's decision will control and be final and binding.

(c) The Provider's sole responsibility to the Recipient for errors or omissions committed by the Provider in performing the Services will be to correct such errors or omissions in the Services at no additional cost to the Recipient; *provided, however*, that the Recipient must promptly advise the Provider of any such error or omission of which it becomes aware after having used commercially reasonable efforts to detect any such errors or omissions.

(d) The Parties and their respective Affiliates will use good faith efforts to cooperate with each other in connection with the performance of the Services hereunder, including producing on a timely basis all information that is reasonably requested with respect to the performance of Services; *provided, however*, that such cooperation not unreasonably disrupt the normal operations of the Parties and their respective Affiliates; provided further, that the Party requesting cooperation will pay all reasonable out-of-pocket costs and expenses incurred by the Party furnishing cooperation, unless otherwise expressly provided in this Agreement or the Master Transaction Agreement. Such cooperation will include exchanging information, providing electronic access to systems used in connection with the Services and obtaining or granting all consents, licenses, sublicenses or approvals necessary to permit each Party to perform its obligations hereunder. Notwithstanding anything in this Agreement to the contrary, the Recipient will be solely responsible for paying for the costs of obtaining such consents, licenses, sublicenses or approvals, including reasonable legal fees and expenses. Either Party providing electronic access to systems used in connection with Services may limit the scope of access to the applicable requirements of the relevant matter through any reasonable means available, and any such access will be subject to the terms of Section 5.8. The exchange of information or records (in any format, electronic or otherwise) related to the provision of Services under this Agreement will be made to the extent that (A) such records/information exist and are created in the ordinary course of business, (B) do not involve the incurrence of any material expense, and (C) are reasonably necessary for any such Party to comply with its obligations hereunder or under applicable Law. Subject to the foregoing terms, the Parties will cooperate with each other in making information available as needed in the event of a Tax audit or in connection with statutory or governmental compliance issues, whether in the PRC or any other country; *provided, however*, that the provision of such information will be without representation or warranty as to the accuracy or completeness of such information. For the avoidance of doubt, and without limiting any privilege or protection that now or hereafter may be shared by the Provider and the Recipient, neither Party will be required to provide any document if the Party who would provide such document reasonably believes that so doing would waive any privilege or protection (e.g., attorney-client privilege) applicable to such document.

(e) If the Provider reasonably believes it is unable to provide any Service because of a failure to obtain necessary consents (e.g., third-party approvals or instructions or approvals from the Recipient required in the ordinary course of providing a Service), licenses, sublicenses or approvals contemplated by Section 2.5(d), such failure shall not constitute a breach hereof by the Provider and the Parties will cooperate to determine the best alternative approach; *provided, however*, that in no event will the Provider be required to provide such Service until an alternative approach reasonably satisfactory to the Provider is found or the consents, licenses, sublicenses or approvals have been obtained.

Section 2.6 Changes in Services. The Parties agree and acknowledge that any Provider may make changes from time to time in the manner of performing the applicable Services if such Provider is making similar changes in performing similar services for itself, its Affiliates or other third parties, if any, and if such Provider furnishes to the Recipient substantially the same notice (in content and timing) as such Provider provides to its Affiliates or other third parties, if any, respecting such changes. In addition, and without limiting the immediately preceding sentence in any way, and notwithstanding any provision of this Agreement to the contrary, such Provider may make any of the following changes without obtaining the prior consent of the Recipient: (i) changes to the process of performing a particular Service that do not adversely affect the benefits to the Recipient of such Provider's provision or quality of such Service in any material respect or materially increase the charge for such Service; (ii) emergency changes on a temporary and short-term basis; and (iii) changes to a particular Service in order to comply with applicable Law or regulatory requirements.

Section 2.7 Services Performed by Third Parties. Nothing in this Agreement will prevent the Provider from using its Affiliates or third parties to perform all or any part of a Service hereunder. The Provider will remain fully responsible for the performance of its obligations under this Agreement in accordance with its terms, including any obligations it performs through its Affiliates or third parties, and the Provider will be solely responsible for payments due any such Affiliates or third parties.

Section 2.8 Responsibility for Provider Personnel. All personnel employed, engaged or otherwise furnished by the Provider in connection with its rendering of the Services will be the Provider's employees, agents or subcontractors, as the case may be (collectively, "**Provider Personnel**"). The Provider will have the sole and exclusive responsibility for Provider Personnel, will supervise Provider Personnel and will cause Provider Personnel to cooperate with the Recipient in performing the Services in accordance with the terms and conditions of Section 2.5. The Provider will pay and be responsible for the payment of any and all premiums, contributions and taxes for workers' compensation insurance, unemployment compensation, disability insurance, and all similar provisions now or hereafter imposed by any Governmental Authority with respect to, or measured by, wages, salaries or other compensation paid, or to be paid, by the Provider to Provider Personnel.

Section 2.9 Services Rendered as a Work-For-Hire; Return of Equipment; Internal Use; No Sale, Transfer, Assignment; Copies. All materials, software, tools, data, inventions, works of authorship, documentation, and other innovations of any kind, including any improvements or modifications to the Provider's proprietary computer software programs and related materials, that the Provider, or personnel working for or through the Provider, may make, conceive, develop or reduce to practice, alone or jointly with others, in the course of performing Services or as a result of such Services, whether or not eligible for patent, copyright, trademark, trade secret or other legal protection (collectively the "**Work Product**"), as between the Provider and the Recipient, will be solely owned by the Provider. Upon the termination of any of the Services, (i) the Recipient will return to the Provider, as soon as practicable, any equipment or other property of the Provider relating to such terminated Services which is owned or leased by the Provider and is, or was, in the Recipient's possession or control; and (ii) the Provider will transfer to the Recipient, as soon as practicable, any and all supporting, back-up or organizational data or information of the Recipient used in supplying the Service to the Recipient. In addition, the Parties will use good-faith efforts at the termination of this Agreement or any specific Service provided hereunder, to ensure that all user identifications and passwords related thereto, if any, are canceled, and that any other data (as well as any and all back-up of that data) pertaining solely to the other Party and related to such Service will be returned to such other Party and deleted or removed from the applicable computer systems. All systems, procedures and related materials provided to the Recipient are for the Recipient's internal use only and only as related to the Services or any of the underlying Systems used to provide the Services, and unless the Provider gives its prior written consent in each and every instance (in its sole discretion), the Recipient may not sell, transfer, assign or otherwise use the Services provided hereunder, in whole or in part, for the benefit of any person other than an Affiliate of the Recipient. The Recipient will not copy, modify, reverse engineer, decompile or in any way alter Systems without the Provider's express written consent (in its sole discretion).

Section 2.10 Cooperation. Each Party will designate in writing to the other Party one (1) representative to act as a contact person with respect to all issues relating to the provision of the Services pursuant to this Agreement. Such representatives will hold review meetings by telephone or in person, as mutually agreed upon, approximately once every quarter to discuss issues relating to the provision of the Services under this Agreement ("**Review Meetings**"). In the Review Meetings such representatives will be responsible for (A) discussing any problems identified relating to the provision of Services and, to the extent changes are agreed upon, implementing such changes and (B) providing notice that any Service has since the prior Review Meeting for the first time exceeded, or is anticipated to exceed, the usual and customary volume for such Service as described in the Schedule.

ARTICLE 3

PRICES AND PAYMENT

Section 3.1 Prices for Services. Services provided to any Recipient pursuant to the terms of this Agreement will be charged at the prices set forth for such Service on the Schedule. At a time during the Service Period to be separately agreed by the Provider and the Recipient, the Provider will review the charges, costs and expenses actually incurred by the Provider in providing any Service (collectively, "**Actual Cost**") during the period preceding such review up to the last review, if any. In the event the Provider determines that the Actual Cost for any service materially differs from the aggregate costs charged to Recipient for that Service for that period, the Provider will deliver to Recipient documentation for such Actual Cost and the Parties will renegotiate in good faith to adjust the appropriate costs charged to the Recipient prospectively.

Section 3.2 Procedure. Amounts payable pursuant to the terms of this Agreement will be paid by the Recipient to the Provider on a quarterly basis.

Section 3.3 Late Payments. Charges not paid within thirty (30) days after the date when payable will bear interest at the rate of 0.75% per month for the period commencing on the due date and ending on the date that is thirty (30) days after such due date, and thereafter at the rate of 1.5% per month until the date payment is received in full by the Provider.

ARTICLE 4

TERM AND TERMINATION

Section 4.1 Termination Dates. Unless otherwise terminated pursuant to this Article 4, this Agreement will terminate with respect to any Service at the close of business on the last day of the Service Period for such Service, unless the Parties have agreed in writing to an extension of the Service Period.

Section 4.2 Early Termination by the Recipient. As provided in the Schedule (regarding the required number of days for written notice), the Recipient may terminate this Agreement with respect to either all or any one or more of the Services, at any time and from time to time (except in the event such termination will constitute a breach by Provider of a third party agreement related to providing such Services), by giving the required written notice to the Provider of such termination (each, a "**Termination Notice**"). Unless provided otherwise in the Schedule, all Services of the same type must be terminated simultaneously. As soon as reasonably practicable after its receipt of a Termination Notice, the Provider will advise the Recipient as to whether early termination of such Services will require the termination or partial termination, or otherwise affect the provision of, certain other Services. If this will be the case, the Recipient may withdraw its Termination Notice within ten (10) days. If the Recipient does not withdraw the Termination Notice within such period, such termination will be final and the Recipient will be deemed to have agreed to the termination, partial termination or affected provision of such other Services and to pay the fees provided in Section 4.4.

Section 4.3 Termination by the Provider. Upon the Control Ending Date, the Provider may terminate this Agreement with respect to either all or any one or more of the Services, at any time and from time to time, by giving the required written notice to the Recipient of such termination as provided in the Schedule (regarding the required number of days of written notice). Additionally, the Provider may terminate this Agreement by giving written notice of such termination to the Recipient, if the Recipient breaches any material provision of this Agreement (including a failure to timely pay an invoiced amount); *provided*, *however*, that the Recipient will have thirty (30) days after receiving such written notice to cure any breach which is curable before the termination becomes effective.

Section 4.4 Effect of Termination of Services. In the event of any termination with respect to one or more, but less than all, of the Services, this Agreement will continue in full force and effect with respect to any Services not so terminated. Upon the termination of any or all of the Services, the Provider will cease, or cause its applicable Affiliates or third-party providers to cease, providing the terminated Services. Upon each such termination, the Recipient will promptly (i) pay to the Provider all fees accrued through the effective date of the Termination Notice, and (ii) reimburse the Provider for the termination costs actually incurred by the Provider resulting from the Recipient's early termination of such Services, if any, including those costs owed to third-party providers, but excluding costs related to the termination of any particular Provider employees in connection with such termination of Services (including wrongful termination claims) unless the Recipient was notified in writing that such particular employees were being engaged in order for the Provider to provide such Services.

Section 4.5 Data Transmission. In connection with the termination of a particular Service, on or prior to the last day of each relevant Service Period, the Provider will cooperate fully and will cause its Affiliates to cooperate fully to support any transfer of data concerning the relevant Services to the applicable Recipient. If requested by the Recipient in connection with the prior sentence, the Provider will deliver and will cause its Affiliates to deliver to the applicable Recipient, within such time periods as the Parties may reasonably agree, all records, data, files and other information received or computed for the benefit of such Recipient during the Service Period, in electronic and/or hard copy form; *provided*, *however*, that (i) the Provider will not have any obligation to provide or cause to provide data in any non-standard format and (ii) if the Provider, in its sole discretion, upon request of the Recipient, chooses to provide data in any non-standard format, the Provider and its Affiliates will be reimbursed for their reasonable out-of-pocket costs for providing data electronically in any format other than its standard format, unless expressly provided otherwise in the Schedule.

ARTICLE 5

MISCELLANEOUS

Section 5.1 Disclaimer of Warranties. NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THIS AGREEMENT, THE PROVIDER MAKES NO AND DISCLAIMS ALL WARRANTIES, EXPRESS OR IMPLIED, INCLUDING THE IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE AND NONINFRINGEMENT, WITH RESPECT TO THE SERVICES, TO THE EXTENT PERMITTED BY APPLICABLE LAW. THE PROVIDER MAKES NO REPRESENTATIONS OR WARRANTIES AS TO THE QUALITY, SUITABILITY OR ADEQUACY OF THE SERVICES FOR ANY PURPOSE OR USE.

Section 5.2 Limitation of Liability; Indemnification

(a) Each Party acknowledges and agrees that the obligations of the other Party hereunder are exclusively the obligations of such other Party and are not guaranteed directly or indirectly by such other Party's shareholders, members, managers, officers, directors, agents or any other person. Except as otherwise specifically set forth in the Master Transaction Agreement, and subject to the terms of this Agreement, each Party will look only to the other Party and not to any manager, director, officer, employee or agent for satisfaction of any claims, demands or causes of action for damages, injuries or losses sustained by any Party as a result of the other Party's action or inaction.

(b) Notwithstanding (A) the Provider's agreement to perform the Services in accordance with the provisions hereof, or (B) any term or provision of the Schedule to the contrary, the Recipient acknowledges that performance by the Provider of the Services pursuant to this Agreement will not subject the Provider, any of its Affiliates or their respective members, shareholders, managers, directors, officers, employees or agents to any liability whatsoever, except as directly caused by the gross negligence or willful misconduct on the part of the Provider or any of its members, shareholders, managers, directors, officers, employees and agents; *provided, however*, that the Provider's liability as a result of such gross negligence or willful misconduct will be limited to an amount not to exceed the lesser of (i) the price paid for the particular Service, (ii) the Recipient's or its Affiliate's cost of performing the Service itself during the remainder of the applicable Service Period or (iii) the Recipient's cost of obtaining the Service from a third party during the remainder of the applicable Service Period; provided further that the Recipient and its Affiliates will exercise their commercially reasonable efforts to minimize the cost of any such alternatives to the Services by selecting the most cost-effective alternatives which provide the functional equivalent of the Services replaced.

(c) NOTWITHSTANDING ANY OTHER PROVISION OF THIS AGREEMENT TO THE CONTRARY, IN NO EVENT WILL EITHER PARTY OR ITS RESPECTIVE AFFILIATES BE LIABLE FOR ANY SPECIAL, INCIDENTAL, INDIRECT, COLLATERAL, CONSEQUENTIAL OR PUNITIVE DAMAGES OR LOST PROFITS SUFFERED BY THE OTHER PARTY OR ITS AFFILIATES, HOWEVER CAUSED AND ON ANY THEORY OF LIABILITY, IN CONNECTION WITH ANY DAMAGES ARISING HEREUNDER; *PROVIDED, HOWEVER*, THAT TO THE EXTENT EITHER PARTY OR ITS RESPECTIVE AFFILIATES IS REQUIRED TO PAY (A) ANY AMOUNT ARISING OUT OF THE INDEMNITY SET FORTH IN SECTION 5.2(b) AND (B) ANY SPECIAL, INCIDENTAL, INDIRECT, COLLATERAL, CONSEQUENTIAL OR PUNITIVE DAMAGES OR LOST PROFITS TO A THIRD PARTY WHO IS NOT AN AFFILIATE OF EITHER PARTY, IN EACH CASE IN CONNECTION WITH A THIRD-PARTY CLAIM, SUCH DAMAGES WILL CONSTITUTE DIRECT DAMAGES OF THE INDEMNIFIED PARTY AND WILL NOT BE SUBJECT TO THE LIMITATION SET FORTH IN THIS SECTION 5.2(c).

(d) The Recipient agrees to indemnify and hold harmless the Provider, the Provider or its Affiliates and their respective members, shareholders, managers, directors, officers, employees and agents with respect to any claims or liabilities (including reasonable attorneys' fees) ("**Claims**"), which may be asserted or imposed against the Provider or such persons by a third party who is not an affiliate of either Party, as a result of (A) the provision of the Services pursuant to this Agreement, or (B) the material breach by the Recipient of a third-party agreement that causes or constitutes a material breach of such agreement by the Provider, except (with respect to both of the foregoing) for any claims which are directly caused by the gross negligence or willful misconduct of the Provider or such persons. Each Party as indemnitee ("**Indemnitee**") will give the other Party as indemnitor ("**Indemnitor**") prompt written notice of any Claims. If Indemnitor does not notify Indemnitee within a reasonable period after Indemnitor's receipt of notice of any Claim that Indemnitor is assuming the defense of Indemnitee, then until such defense is assumed by Indemnitor, Indemnitee shall have the right to defend, contest, settle or compromise such Claim in the exercise of its reasonable judgment and all costs and expenses of such defense, contest, settlement or compromise (including reasonable outside attorneys' fees and expenses) will be reimbursed to Indemnitee by Indemnitor. Upon assumption of the defense of any such Claim, Indemnitor will, at its own cost and expense, select legal counsel, conduct and control the defense and settlement of any suit or action which is covered by Indemnitor's indemnity. Indemnitee shall render all cooperation and assistance reasonably requested by the Indemnitor and Indemnitor will keep Indemnitee fully apprised of the status of any Claim. Notwithstanding the foregoing, Indemnitee may, at its election and sole expense, be represented in such action by separate counsel and Indemnitee may, at its election and sole expense, assume the defense of any such action, if Indemnitee hereby waives Indemnitor's indemnity hereunder. Unless Indemnitee waives the indemnity hereunder, in no event shall Indemnitee, as part of the settlement of any claim or proceeding covered by this indemnity or otherwise, stipulate to, admit or acknowledge any liability or wrongdoing (whether in contract, tort or otherwise) of any issue which may be covered by this indemnity without the consent of the Indemnitor (such consent not to be unreasonably withheld or delayed).

Section 5.3 Compliance with Law and Governmental Regulations. The Recipient will be solely responsible for (i) compliance with all Laws affecting its business and (ii) any use the Recipient may make of the Services to assist it in complying with such Laws. Without limiting any other provisions of this Agreement, the Parties agree and acknowledge that neither Party has any responsibility or liability for advising the other Party with respect to, or ensuring the other Party's compliance with, any public disclosure, compliance or reporting obligations of such other Party (including the Securities Act of 1933, as amended, the Securities Exchange Act of 1934, as amended, the Sarbanes-Oxley Act of 2002 and rules and regulations promulgated under such Acts or any successor provisions), regardless of whether any failure to comply results from information provided hereunder.

Section 5.4 No Partnership or Joint Venture; Independent Contractor. Nothing contained in this Agreement will constitute or be construed to be or create a partnership or joint venture between the Parties or any of their respective Affiliates, successors or assigns. The Parties understand and agree that this Agreement does not make either of them an agent or legal representative of the other for any purpose whatsoever. No Party is granted, by this Agreement or otherwise, any right or authority to assume or create any obligation or responsibilities, express or implied, on behalf of or in the name of any other Party, or to bind any other Party in any manner whatsoever. The Parties expressly acknowledge that the Provider is an independent contractor with respect to the Recipient in all respects, including with respect to the provision of the Services.

Section 5.5 Non-Exclusivity. The Provider and its Affiliates may provide services of a nature similar to the Services to any other Person. There is no obligation for the Provider to provide the Services to the Recipient on an exclusive basis.

Section 5.6 Expenses. Except as otherwise provided herein, each Party will pay its own expenses incident to the negotiation, preparation and performance of this Agreement, including the fees, expenses and disbursements of their respective investment bankers, accountants and counsel.

Section 5.7 Further Assurances. From time to time, each Party will use its commercially reasonable efforts to take or cause to be taken, at the cost and expense of the requesting Party, such further actions as may be reasonably necessary to consummate or implement the transactions contemplated hereby or to evidence such matters.

Section 5.8 Confidentiality.

(a) Subject to Section 5.8(c), each Party, on behalf of itself and its respective Affiliates, agrees to hold, and to cause its respective directors, officers, employees, agents, accountants, counsel and other advisors and representatives to hold, in strict confidence, with at least the same degree of care that applies to such Party's confidential and proprietary information pursuant to policies in effect as of the date hereof, all Information concerning the other Party and its Affiliates that is either in its possession (including Information in its possession prior to the date hereof) or furnished by the other Party, its Affiliates or their respective directors, officers, managers, employees, agents, accountants, counsel and other advisors and representatives at any time pursuant to this Agreement or otherwise, and will not use any such Information other than for such purposes as will be expressly permitted hereunder or thereunder, except, in each case, to the extent that such Information has been (i) in the public domain through no fault of such Party or its Affiliates or any of their respective directors, officers, managers, employees, agents, accountants, counsel and other advisors and representatives, (ii) later lawfully acquired from other sources by such Party (or its Affiliates) which sources are not themselves bound by a confidentiality obligation, or (iii) independently generated without reference or prior access to any proprietary or confidential Information of the other Party.

(b) Each Party agrees not to release or disclose, or permit to be released or disclosed, any Information of the other Party or its Affiliates to any other Person, except its directors, officers, employees, agents, accountants, counsel and other advisors and representatives who need to know such Information (who will be advised of their obligations hereunder with respect to such Information), except in compliance with Section 5.8(c); *provided, however*, that any Information may be disclosed to third parties (who will be advised of their obligation hereunder with respect to such Information) retained by the Provider as the Provider reasonably deems necessary to perform the Services.

(c) In the event that any Party or any of its Affiliates either determines on the advice of its counsel that it is required to disclose any Information pursuant to applicable Law (including pursuant to any rule or regulation of any Governmental Authority) or receives any demand under lawful process or from any Governmental Authority to disclose or provide Information of any other Party (or of the other Party's Affiliates) that is subject to the confidentiality provisions hereof, such Party will notify the other Party prior to disclosing or providing such Information and will cooperate at the expense of such other Party in seeking any reasonable protective arrangements (including by seeking confidential treatment of such Information) requested or required by such other Party. Subject to the foregoing, the person that received such a request or determined that it is required to disclose Information may thereafter disclose or provide Information to the extent required by such Law (as so advised by counsel) or by lawful process or such Governmental Authority; *provided, however*, that such Person provides the other Party upon request with a copy of the Information so disclosed.

Section 5.9 Amendments. This Agreement (including the Schedule) may not be amended except by an instrument in writing executed by a duly authorized representative of each Party.

Section 5.10 Notices. Notices, offers, requests or other communications required or permitted to be given by a Party pursuant to the terms of this Agreement shall be given in writing to the other Party to the following addresses (or at such other address for a Party as shall be specified in a notice given in accordance with this Section):

if to CreditEase:
3/F, Winterless Center Building A
Chaoyang, Beijing, 100025
People's Republic of China

if to Yirendai:
10/F, Building 9, 91 Jianguo Road
Chaoyang District, Beijing 100022
The People's Republic of China

or to such other address, facsimile number or email address as the Party to whom notice is given may have previously furnished to the other in writing as provided herein. Any notice involving non-performance or termination shall be sent by hand delivery or recognized courier. All other notices may also be sent by facsimile or email, confirmed by mail. All notices shall be deemed to have been given when received, if hand delivered; when transmitted, if transmitted by facsimile or email; upon confirmation of delivery, if sent by recognized courier; and upon receipt if mailed.

If any of such notice or other correspondences is transmitted by facsimile or telex, it shall be treated as delivered immediately upon transmission; if delivered in person, it shall be treated as delivered at the time of delivery; if posted by mail, it shall be treated as delivered five (5) days after posting.

Section 5.11 Governing Law. This Agreement shall be governed by, and construed in accordance with, the laws of the State of New York, U.S.A.

Section 5.12 Dispute Resolution. (a) Any dispute, controversy or claim arising out of or relating to this Agreement or the breach, termination or validity thereof ("**Dispute**") which arises between the Parties shall first be negotiated between appropriate senior executives of each Party who shall have the authority to resolve the matter. Such executives shall meet to attempt in good faith to negotiate a resolution of the Dispute prior to pursuing other available remedies, within ten (10) days of receipt by a Party of written notice of a Dispute, which date of receipt shall be referred to herein as the "**Dispute Resolution Commencement Date**." Discussions and correspondence relating to trying to resolve such Dispute shall be treated as confidential information and privileged information of each of Party developed for the purpose of settlement and shall be exempt from discovery or production and shall not be admissible in any subsequent proceeding between the Parties.

(b) If the senior executives are unable to resolve the Dispute within sixty (60) days from the Dispute Resolution Commencement Date, then, the Dispute will be submitted to the boards of directors of each Party. Representatives of each board of directors shall meet as soon as practicable to attempt in good faith to negotiate a resolution of the Dispute.

(c) If the representatives of the two boards of directors are unable to resolve the Dispute within 120 days from the Dispute Resolution Commencement Date, on the request of any Party, the Dispute will be mediated by a mediator appointed pursuant to the mediation rules of the American Arbitration Association. Both Parties will share the administrative costs of the mediation and the mediator's fees and expenses equally, and each Party shall bear all of its other costs and expenses related to the mediation, including but not limited to attorney's fees, witness fees, and travel expenses. The mediation shall take place in Beijing, China or in whatever alternative forum on which the Parties may agree.

(d) If the Parties cannot resolve any Dispute through mediation within forty five (45) days after the appointment of the mediator (or the earlier withdrawal thereof), each Party shall be entitled to submit the Dispute to Hong Kong International Arbitration Centre for arbitration in accordance with the Hong Kong International Arbitration Centre Administered Arbitration Rules in force at the time when the Dispute is submitted. There shall be three (3) arbitrators. The third and presiding arbitrator shall be qualified to practice law in New York. The place or seat of arbitration shall be Hong Kong. The award of the arbitral tribunal shall be final and binding upon the Parties thereto, and the prevailing Party may apply to a court of competent jurisdiction for enforcement of such award.

Unless otherwise agreed in writing, the Parties will continue to honor all commitments under this Agreement during the course of dispute resolution pursuant to the provisions of this Section 5.12 with respect to all matters not subject to such dispute, controversy or claim.

Section 5.13 Incorporation by Reference. The Schedule to this Agreement is incorporated herein by reference and made a part of this Agreement as if set forth in full herein.

Section 5.14 Entire Agreement. This Agreement and the Schedule attached hereto constitute the entire agreement between the Parties with respect to the subject matter hereof, and supersede all previous agreements, negotiations, discussions, writings, understandings, commitments and conversations with respect to the subject matter hereof.

Section 5.15 Severability. If any term of this Agreement or the Schedule attached hereto is determined by a court, administrative agency or arbitrator to be invalid, illegal or incapable of being enforced by any rule of law or public policy, all other conditions and provisions of this Agreement shall nevertheless remain in full force and effect 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 determination that any term or other provision is invalid, illegal or incapable of being enforced, the Parties hereto 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 to the end that transactions contemplated hereby are fulfilled to the fullest extent possible.

Section 5.16 Failure or Indulgence not Waiver; Remedies Cumulative. No failure or delay on the part of any Party hereto in the exercise of any right hereunder shall impair such right or be construed to be a waiver of, or acquiescence in, any breach of any representation, warranty or agreement herein, nor shall any single or partial exercise of any such right preclude other or further exercise thereof or of any other right. All rights and remedies existing under this Agreement or the Schedule attached hereto are cumulative to, and not exclusive of, any rights or remedies otherwise available.

Section 5.17 Assignment; No Third-Party Beneficiaries. Neither this Agreement nor any of the rights and obligations of the Parties may be assigned by any Party without the prior written consent of the other Party, except that (i) the Recipient may assign its rights under this Agreement to any Affiliate or Affiliates of the Recipient without the prior written consent of the Provider, (ii) the Provider may assign any rights and obligations hereunder to (A) any Affiliate or Affiliates of the Provider capable of providing such Services hereunder or (B) third parties to the extent such third parties are routinely used to provide the Services to Affiliates and businesses of the Provider, in either case without the prior written consent of the Recipient, and (iii) an assignment by operation of Law in connection with a merger or consolidation will not require the consent of the other Party. Notwithstanding the foregoing, each Party will remain liable for all of its respective obligations under this Agreement. Subject to the first sentence of this Section 5.17, this Agreement will be binding upon and inure to the benefit of the Parties and their respective successors and assigns and no other person will have any right, obligation or benefit hereunder. Any attempted assignment or transfer in violation of this Section 5.17 will be void.

Section 5.18 Inconsistency. Neither the making nor the acceptance of this Agreement will enlarge, restrict or otherwise modify the terms of the Master Transaction Agreement or the Share Subscription Agreement or constitute a waiver or release by any Party of any liabilities, obligations or commitments imposed upon them by the terms of the Master Transaction Agreement or the Share Subscription Agreement, including the representations, warranties, covenants, agreements and other provisions of the Master Transaction Agreement or the Share Subscription Agreement. In the event of any conflict between the terms of this Agreement (including the Schedule), on the one hand, and the terms of the Master Transaction Agreement or the Share Subscription Agreement, on the other hand, with respect to the subject matters of this Agreement, the terms of this Agreement will control. In the event of any inconsistency between the terms of this Agreement, on the one hand, and the Schedule, on the other hand, the terms of this Agreement (other than charges for Services) will control.

Section 5.19 Interpretation. The headings contained in this Agreement and in the table of contents to this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement. For all purposes of this Agreement: (i) all references in this Agreement to designated "Sections," "Schedules" and other subdivisions are to the designated Sections, Schedules and other subdivisions of the body of this Agreement unless otherwise indicated; (ii) 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; (iii) "or" is not exclusive; (iv) "including" and "includes" will be deemed to be followed by "but not limited to" and "but is not limited to", respectively; (v) any definition of, or reference to, any law, agreement, instrument or other document herein will be construed as referring to such law, agreement, instrument or other document as from time to time amended, supplemented or otherwise modified; and (vi) any definition of, or reference to, any statute will be construed as referring also to any rules and regulations promulgated thereunder.

Section 5.20 Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original but all of which shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page of this Agreement by facsimile or other electronic imaging means will be effective as delivery of a manually executed counterpart of this Agreement.

[Signature page follows]

IN WITNESS WHEREOF, each of the Parties has caused this Agreement to be duly executed as of the date first written above.

CreditEase Holdings (Cayman) Limited

By: /s/ Ning Tang
Name: Ning Tang
Title: Chief Executive Officer

Yirendai Ltd.

By: /s/ Yihan Fang
Name: Yihan Fang
Title: Chief Executive Officer

[Signature Page to Amended Transitional Services Agreement]

SCHEDULE 1
SERVICES

Types of Services:

1. Operational Management Support Services, including but not limited to management, supervision and instruction of the operation of sales and marketing, product development, customer service and general administration;

2. Administrative Support Services, including but not limited to secretarial support, event management, conference management, and other day-to-day office support services;

3. Legal Support Services, including but not limited to support services in respective of contract management, risk control, compliance and other corporate legal matters;

4. Human Resources Support Services, including but not limited to recruitment, employee service center, workforce administration, employee data management, payroll and other employment-related matters;

5. Corporate Communications, including but not limited to respond to media inquiries, publishing internal brochures and videos, media training, providing crisis communication planning and response; providing corporate identity standards consulting; providing internal communication support and planning;

6. Marketing: providing marketing activities including advertising, brand management, and sales support, publishing internal and external marketing brochures and videos, coordinating external global advertising such as magazine and radio advertisements, market research and customer/competitor analysis;

7. Global Security & Continuity, including but not limited to provide global investigations, physical security assessments, executive security, security system design, mergers and acquisitions support, emergent work, support of global environmental health and safety programs; provide oversight of global business continuity programs, customer / client interface, site and functional planning, management of global travel program and policies; and

8. Accounting, Internal Control and Internal Audit Support Services.

Provider: CreditEase or an Affiliate of CreditEase

Recipient: Yirendai or an Affiliate of Yirendai

Scope and Annual Volume of Each Type of Services: Based on the Recipient's reasonable request subject to the terms of this Agreement, *provided* that the Provider actually performs such Services for itself or its Affiliates.

Price: The actual Direct Costs and Indirect Costs of providing such Services. "**Direct Costs**" shall include compensation and travel expenses attributable to employees, temporary workers, and contractors directly engaged in performing the Services, materials and supplies consumed in and agency fees arising from performing the Services. "**Indirect Costs**" shall include office occupancy, information technology support and other overhead costs of the department incurring the direct costs of providing the Service.

Required Notice Period for Termination by Recipient Pursuant to Section 4.2 of this Agreement: 90 days

Required Notice Period for Termination by Provider Pursuant to Section 4.3 of this Agreement: 90 days

Exhibit 4.8

Execution Version

AMENDED AND RESTATED
NON-COMPETITION AGREEMENT

by and between

CREDITEASE HOLDINGS (CAYMAN) LIMITED

and

YIRENDAI LTD.

Dated March 25, 2019

TABLE OF CONTENTS

AMENDED AND RESTATED
NON-COMPETITION AGREEMENT

This Amended and Restated Non-Competition Agreement (this "**Agreement**"), dated March 25, 2019, is entered into by and between CreditEase Holdings (Cayman) Limited, a company incorporated under the laws of the Cayman Islands ("**CreditEase**"), and Yirendai Ltd., a company incorporated under the laws of the Cayman Islands ("**Yirendai**" and, together with CreditEase, the "**Parties**").

RECITALS

WHEREAS, Yirendai is a leading fintech company in China and its ADSs (as defined below) are listed and traded on the New York Stock Exchange;

WHEREAS, CreditEase, being the parent company and controlling shareholder of Yirendai, desires transferred or cause its controlled entities to transfer to the Yirendai Group certain assets, rights and obligations in connection with the Target Business (as defined below), and Yirendai desires issue certain Ordinary Shares (as defined below) of Yirendai to CreditEase, in accordance with the Share Subscription Agreement, dated the date hereof, by and between the Parties (the "**Share Subscription Agreement**") and the Specified Transaction Documents (as defined in the Share Subscription Agreement);

WHEREAS, Yirendai and CreditEase entered into a Non-Competition Agreement, dated November 9, 2015 (the "**Prior Agreement**"), prior to the consummation of the initial public offering of Yirendai; and

WHEREAS, the Parties intend to alter the scope of the non-competition and non-solicitation undertakings in the Prior Agreement and make certain other modifications to the Prior Amendment by amending and restating the Prior Agreement.

NOW, THEREFORE, in consideration of the mutual agreements, covenants and provisions contained in this Agreement, the Parties, intending to be legally bound, agree that the Prior Agreement shall be amended and restated in its entirety to read as follows:

ARTICLE 1

DEFINITIONS

Section 1.1 Defined Terms. The following capitalized terms have the meanings given to them in this Section 1.1:

"**ADSs**" means American depositary shares representing Ordinary Shares.

"**Agreement**" has the meaning set forth in the preamble to this Agreement.

"**Control Ending Date**" means the earlier of (a) the first date upon which members of the CreditEase Group no longer collectively own at least twenty percent (20%) of the voting power of the then outstanding securities of Yirendai and (b) the first date upon which CreditEase, collectively with the other members of the CreditEase Group, ceases to be the largest beneficial owner of the then outstanding voting securities of Yirendai (for purposes of this clause (b), without considering holdings of institutional investors that have acquired Yirendai securities in the ordinary course of their business and not with a purpose nor with the effect of changing or influencing the control of Yirendai).

"**CreditEase**" has the meaning set forth in the preamble to this Agreement.

"**CreditEase Business**" means any business conducted by CreditEase and its subsidiaries and VIEs, other than the Yirendai Business.

"**CreditEase Group**" means CreditEase and its subsidiaries and VIEs, other than Yirendai and its subsidiaries and VIEs.

"**Dispute**" has the meaning set forth in Section 4.7 of this Agreement.

"**Dispute Resolution Commencement Date**" has the meaning set forth in Section 4.7 of this Agreement.

"**Non-Competition Period**" means the period beginning from the date hereof and ending on the earliest of:

(a) the first anniversary of the Control Ending Date;

(b) the date on which the ADSs cease to be listed on NASDAQ or the New York Stock Exchange (except for temporary suspension of trading of the ADSs); and

(c) the fifteenth (15th) anniversary of the date hereof.

"**Ordinary Shares**" means the shares of Yirendai, par value $0.0001 per share (including shares represented by ADSs and held of record by the depositary bank for the ADSs).

"**Party**" or "**Parties**" has the meaning set forth in the preamble of this Agreement.

"**Person**" means an individual, a partnership, a corporation, a limited liability company, an association, a joint stock company, a trust, a joint venture, an unincorporated organization or a governmental entity or any department, agency or political subdivision thereof.

"**Prior Agreement**" has the meaning set forth in the recitals to this Agreement.

"**Share Subscription Agreement**" has the meaning set forth in the recitals to this Agreement.

"**Target Business**" means online wealth management targeting the mass affluent, which refer to individuals with RMB600,000 to RMB6,000,000 investable financial assets, unsecured and secured consumer lending, financial leasing, SME lending and other related services and businesses, being (i) the business conducted by each CreditEase Group Company the equity interests of which are transferred or to be transferred to the Yirendai Group pursuant to the Equity Transfer Documents, (ii) the business conducted with the tangible and intangible assets transferred or to be transferred to the Yirendai Group pursuant to the Asset Transfer Documents, and (iii) the business conducted by each VIE Entity and all of its respective Controlled Affiliates, which have become a part of and been consolidated into the Yirendai Group by way of the Control Documents. Terms capitalized and not defined in this paragraph have the meanings given to them in the Share Subscription Agreement.

"**VIE**" of any Person means any entity that is controlled by such Person and is deemed to be a variable interest entity consolidated with such Person for purposes of generally accepted accounting principles in the United States as in effect from time to time. As used herein, "control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such entity, whether through ownership of voting securities or other interests, by contract or otherwise.

"**Yirendai**" has the meaning set forth in the preamble to this Agreement.

"**Yirendai Business**" means (a) the operation of online consumer finance marketplace connecting investors and individual borrowers and facilitating unsecured loan products, and provision of related services, as conducted or contemplated to be conducted by the Yirendai Group anywhere in the world, (b) the Target Business, and provision of related services, as conducted or contemplated to be conducted by the Yirendai Group anywhere in the world, and (c) other businesses that the Parties may mutually agree from time to time to be part of Yirendai Business.

"**Yirendai Group**" means Yirendai and its subsidiaries and VIEs.

ARTICLE 2

NON-COMPETITION

Section 2.1 Undertaking of the CreditEase Group. During the Non-Competition Period, CreditEase will not, and will cause each of the other members of the CreditEase Group not to, other than through the Yirendai Group, directly or indirectly be engaged, invest, participate or otherwise be interested, whether on its own account or with each other or in conjunction with or on behalf of any person, in (i) the Yirendai Business or (ii) any business that is of the same nature as the Yirendai Business, in each case unless as may otherwise be approved in writing by the audit committee of the board of directors of Yirendai. Notwithstanding the foregoing, any member of the CreditEase Group shall not be prohibited from:

(a) being engaged in the Yirendai Business or any business that is of the same nature as the Yirendai Business through contracts, engagements with or on behalf of any member of the Yirendai Group;

(b) continuing to engage in (A) the CreditEase Business in which the CreditEase Group engages as of the date of this Agreement, or (B) the portion of the Target Business in which the CreditEase Group engages as of the date of this Agreement only to the extent not contributed or otherwise transferred to the Yirendai Group as of the date of this Agreement, and only until the date on which that portion of the Target Business is contributed or otherwise transferred to the Yirendai Group; or

(c) holding shares, invest or otherwise being interested in, beneficially or of record, no more than fifty percent (50%) (calculated on an aggregate basis combining any such ownership by any members of the CreditEase Group) of the equity or its equivalent of any company (other than Yirendai) that engages in any business that is of the same nature as the Yirendai Business; provided that the CreditEase Group does not have board or management control of such company.

Section 2.2 Undertaking of the Yirendai Group. During the Non-Competition Period, Yirendai will not, and will cause each of the other members of the Yirendai Group not to, directly or indirectly be engaged, invest, participate or otherwise be interested, whether on its own account or with each other or in conjunction with or on behalf of any person, in (i) the CreditEase Business or (ii) any business that is of the same nature as the CreditEase Business, in each case unless as may otherwise be approved in writing by CreditEase. Notwithstanding the foregoing, any member of the Yirendai Group shall not be prohibited from:

(a) being engaged in CreditEase Business or any business that is of the same nature as the CreditEase Business through contracts, engagements with or on behalf of any member of the CreditEase Group;

(b) continuing to engage in the Yirendai Business in which the Yirendai Group engages as of the date of this Agreement; or

(c) holding shares, invest or otherwise being interested in, beneficially or of record, no more than fifty percent (50%) (calculated on an aggregate basis combining any such ownership by any members of the Yirendai Group) of the equity or its equivalent of any company that engages in any business that is of the same nature as the CreditEase Business; provided that the Yirendai Group does not have board or management control of such company.

ARTICLE 3

NON-SOLICITATION

Section 3.1 Non-Solicitation by CreditEase. During the Non-Competition Period, CreditEase will not, and will cause each other member of the CreditEase Group not to, directly or indirectly, hire, or solicit for hire, any active employees of or individuals providing consulting services to any member of the Yirendai Group, or any former employees of or individuals providing consulting services to any member of the Yirendai Group within six months of the termination of their employment with or consulting services to the member of the Yirendai Group, without Yirendai's consent; provided that the foregoing shall not prohibit any solicitation activities through generalized non-targeted advertisement not directed at such employees or individuals that do not result in the hiring of any such employees or individuals by the CreditEase Group within the Non-Competition Period.

Section 3.2 Non-Solicitation by Yirendai. During the Non-Competition Period, Yirendai will not, and will cause each other member of the Yirendai Group not to, directly or indirectly, solicit or hire any active employees of or individuals providing consulting services to any member of the CreditEase Group, or any former employees of or individuals providing consulting services to any member of the CreditEase Group within six months of the termination of their employment with or consulting to the member of the CreditEase Group, without CreditEase's consent; provided that the foregoing shall not prohibit any solicitation activities through generalized non-targeted advertisement not directed at such employees or individuals that do not result in the hiring of any such employees or individuals by the Yirendai Group within the Non-Competition Period.

ARTICLE 4

MISCELLANEOUS

Section 4.1 Consent or Waiver. Any consent or waiver of a Party pursuant to this Agreement shall not be effective unless it is in writing and signed by such Party, which in the case of Yirendai, shall obtain the prior written consent of the audit committee of the board of directors of Yirendai.

Section 4.2 Limitation of Liability. In no event shall any Party be liable to the other Party, or its affiliated companies for any special, consequential, indirect, incidental or punitive damages or lost profits, however caused and on any theory of liability (including negligence) arising in any way out of this Agreement, whether or not such Party has been advised of the possibility of such damages. Subject to the forgoing, nothing in this Agreement limits a Party's right to seek remedies such Party is entitled to for any breach of this Agreement, whether at law or in equity, including without limitation the right to terminate this Agreement in the event that the other Party materially breaches this Agreement.

Section 4.3 Termination. This Agreement may be terminated by mutual written consent of the Parties, evidenced by an instrument in writing signed by Yirendai after obtaining the prior written consent of the audit committee of the board of directors of Yirendai, and by CreditEase. This Agreement shall automatically terminate upon the expiration of the Non-Competition Period.

Section 4.4 Amendment. This Agreement may not be amended except by mutual written consent of the Parties, evidenced by an instrument in writing signed by Yirendai after obtaining the prior written consent of the audit committee of the board of directors of Yirendai, and by CreditEase.

Section 4.5 Notices. Notices or other communications required or permitted to be given by a Party pursuant to the terms of this Agreement shall be given in writing to the other Party to the following addresses (or at such other address for a Party as shall be specified in a notice given in accordance with this Section):

if to CreditEase:

3/F, Winterless Center Building A
Chaoyang, Beijing, 100025
People's Republic of China

if to Yirendai:

10th Floor, Tower B, Gemdale Plaza
91 Jianguo Road, Chaoyang District
Beijing, People's Republic of China 100022

or to such other address, facsimile number or email address as the Party to whom notice is given may have previously furnished to the other in writing as provided herein. Any notice involving non-performance or termination shall be sent by hand delivery or recognized courier. All other notices may also be sent by facsimile or email, confirmed by mail. All notices shall be deemed to have been given when received, if hand delivered; when transmitted, if transmitted by facsimile or email; upon confirmation of delivery, if sent by recognized courier; and upon receipt if mailed.

If any of such notice or other correspondence is transmitted by facsimile or telex, it shall be treated as delivered immediately upon transmission; if delivered in person, it shall be treated as delivered at the time of delivery; if posted by mail, it shall be treated as delivered five (5) days after posting.

Section 4.6 Governing Law. This Agreement shall be governed by, and construed in accordance with, the laws of the State of New York.

Section 4.7 Dispute Resolution. (a) Any dispute, controversy or claim arising out of or relating to this Agreement or the breach, termination or validity thereof ("**Dispute**") which arises between the Parties shall first be negotiated between appropriate senior executives of each Party who shall have the authority to resolve the matter. Such executives shall meet to attempt in good faith to negotiate a resolution of the Dispute prior to pursuing other available remedies, within ten (10) days of receipt by a Party of written notice of a Dispute, which date of receipt shall be referred to herein as the "**Dispute Resolution Commencement Date**." Discussions and correspondence relating to such Dispute shall be treated as confidential and privileged information of each of CreditEase and Yirendai developed for the purpose of settlement and shall be exempt from discovery or production and shall not be admissible in any subsequent proceeding between the Parties.

(b) If the senior executives are unable to resolve the Dispute within sixty (60) days from the Dispute Resolution Commencement Date, then, the Dispute will be submitted to the boards of directors of CreditEase and Yirendai. Representatives of each board of directors shall meet as soon as practicable to attempt in good faith to negotiate a resolution of the Dispute.

(c) If the representatives of the two boards of directors are unable to resolve the Dispute within one hundred and twenty (120) days from the Dispute Resolution Commencement Date, on the request of any Party, the Dispute will be mediated by a mediator appointed pursuant to the mediation rules of the American Arbitration Association. Both Parties will share the administrative costs of the mediation and the mediator's fees and expenses equally, and each Party shall bear all of its other costs and expenses related to the mediation, including but not limited to attorney's fees, witness fees, and travel expenses. The mediation shall take place in Beijing, China or in whatever alternative forum on which the Parties may agree.

(d) If the Parties cannot resolve any Dispute through mediation within forty-five (45) days after the appointment of the mediator (or the earlier withdrawal thereof), each Party shall be entitled to submit the Dispute to Hong Kong International Arbitration Centre for arbitration in accordance with the Hong Kong International Arbitration Centre Administered Arbitration Rules in force at the time when the Dispute is submitted. There shall be three (3) arbitrators. The presiding arbitrator shall be qualified to practice law in New York. The place or seat of arbitration shall be Hong Kong. The award of the arbitral tribunal shall be final and binding upon the parties thereto, and the prevailing party may apply to a court of competent jurisdiction for enforcement of such award.

Section 4.8 Authority. Each Party represents to the other Party that (a) it has the corporate or other requisite power and authority to execute, deliver and perform this Agreement, (b) the execution, delivery and performance of this Agreement by it have been duly authorized by all necessary corporate or other actions, (c) it has duly and validly executed and delivered this Agreement, and (d) this Agreement is a legal, valid and binding obligation, enforceable against it in accordance with its terms subject to applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting creditors' rights generally and general equity principles.

Section 4.9 Entire Agreement. This Agreement constitutes the entire agreement between the Parties with respect to the subject matter hereof, and supersedes all previous agreements, negotiations, discussions, writings, understandings, commitments and conversations with respect to the subject matter hereof. The Prior Agreement is hereby terminated and replaced in its entirety by this Agreement.

Section 4.10 Severability. If any provision of this Agreement is determined by a court, administrative agency or arbitrator to be invalid, illegal or incapable of being enforced by any rule of law or public policy, all other provisions of this Agreement shall nevertheless remain in full force and effect 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 determination that any term or other provision is invalid, illegal or incapable of being enforced, 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 transactions contemplated hereby are fulfilled to the fullest extent possible.

Section 4.11 Waiver; Remedies. No failure or delay on the part of any Party in the exercise of any right hereunder shall impair such right or be construed to be a waiver of, or acquiescence in, any breach of any representation, warranty or agreement herein, nor shall any single or partial exercise of any such right preclude other or further exercise thereof or of any other right. Each Party recognizes and agrees that the other Party's remedy at law for any breach of this Agreement would be inadequate and that the non-breaching Party shall, in addition to such other remedies as may be available to it at law or in equity, be entitled to injunctive relief and to enforce its rights by an action for specific performance to the extent permitted by law (without the posting of any bond and without proof of actual damages). All rights and remedies existing under this Agreement are cumulative to, and not exclusive of, any rights or remedies otherwise available.

Section 4.12 Binding Effect; Assignment. This Agreement shall inure to the benefit of and be binding upon the Parties and their respective legal representatives and successors, and nothing in this Agreement, express or implied, is intended to confer upon any other Person any rights or remedies of any nature whatsoever under or by reason of this Agreement. No Party may assign this Agreement or any rights or obligations hereunder, without the prior written consent of the other Party, and any such assignment without such consent shall be void; provided that each Party may assign this Agreement to a successor entity in conjunction with such Party's reincorporation in another jurisdiction or into another business form.

Section 4.13 Interpretation. The headings contained in this Agreement and in the table of contents of this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement. For all purposes of this Agreement: (i) 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 unless otherwise indicated; (ii) 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; (iii) "or" is not exclusive; (iv) "including" and "includes" will be deemed to be followed by "but not limited to" and "but is not limited to", respectively; (v) any definition of, or reference to, any law, agreement, instrument or other document herein will be construed as referring to such law, agreement, instrument or other document as from time to time amended, supplemented or otherwise modified; and (vi) any definition of, or reference to, any statute will be construed as referring also to any rules and regulations promulgated thereunder.

Section 4.14 Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original but all of which shall constitute one and the same agreement.

[Signature page follows]

IN WITNESS WHEREOF, the Parties have executed and delivered this Agreement on the date first written above.

CreditEase Holdings (Cayman) Limited

By: /s/ Ning Tang
Name: Ning Tang
Title: Chief Executive Officer

Yirendai Ltd.

By: /s/ Yihan Fang
Name: Yihan Fang
Title: Chief Executive Officer

[Signature Page to Amended Non-Competition Agreement]

Exhibit 4.9

Execution Version

AMENDED AND RESTATED

COOPERATION FRAMEWORK AGREEMENT

Between

CREDITEASE HOLDINGS (CAYMAN) LIMITED

And

YIRENDAI LTD.

Dated as of March 25, 2019

TABLE OF CONTENTS

AMENDED AND RESTATED COOPERATION FRAMEWORK AGREEMENT

This Amended and Restated Cooperation Framework Agreement (this "**Agreement**") is dated as of March 25, 2019, by and between CreditEase Holdings (Cayman) Limited, a company incorporated under the laws of the Cayman Islands ("**CreditEase**"), and Yirendai Ltd., a company incorporated under the laws of the Cayman Islands ("**Yirendai**") (each of CreditEase and Yirendai a "**Party**" and, together, the "**Parties**").

Capitalized terms used herein and not otherwise defined shall have the meanings ascribed to such terms in Article 1 hereof.

RECITALS

WHEREAS, Yirendai is a leading fintech company in China and its American depositary shares (as defined below) are listed and traded on the New York Stock Exchange;

WHEREAS, CreditEase, being the parent company and controlling shareholder of Yirendai, desires to transfer or cause its controlled entities to transfer to the Yirendai Group certain assets, rights and obligations in connection with certain target business, and Yirendai desires to issue certain Ordinary Shares (as defined below) of Yirendai to CreditEase, in accordance with a Share Subscription Agreement, dated the date hereof, by and between the Parties (the "**Share Subscription Agreement**") and the Specified Transaction Documents (as defined in the Share Subscription Agreement);

WHEREAS, Yirendai and CreditEase entered into a Cooperation Framework Agreement, dated November 9, 2015 (the "**Original Agreement**"), prior to the consummation of the initial public offering of Yirendai ("**IPO**"); and

WHEREAS, the Parties intend to alter the scope of the cooperation scope in the Original Agreement and make certain other modifications to the Original Amendment by entering into this Agreement.

NOW, THEREFORE, in consideration of the mutual agreements, covenants and provisions contained in this Agreement, the Parties, intending to be legally bound, agree as follows:

ARTICLE 1

DEFINITIONS

Unless otherwise specified in this Agreement, in this Agreement, the following terms shall have the meanings prescribed thereto below.

"**Control Ending Date**" means the earlier of (i) the first date upon which members of the CreditEase Group no longer collectively own at least twenty percent (20%) of the voting power of the then outstanding securities of Yirendai and (ii) the first date upon which CreditEase, collectively with the other members of the CreditEase Group, ceases to be the largest beneficial owner of the then outstanding voting securities of Yirendai (for purposes of this clause (ii), without considering holdings of institutional investors that have acquired Yirendai securities in the ordinary course of their business and not with a purpose nor with the effect of changing or influencing the control of Yirendai).

"**CreditEase**" has the meaning set forth in the preamble to this Agreement.

"**CreditEase Group**" means CreditEase and its subsidiaries and VIEs, other than the Yirendai Group.

"**Dispute**" has the meaning set forth in Section 9.4 of this Agreement.

"**Dispute Resolution Commencement Date**" has the meaning set forth in Section 9.4 of this Agreement.

"**Governmental Authority**" means any federal, state, local, foreign or international court, government, department, commission, board, bureau, agency, official or other regulatory, administrative or governmental authority.

"**Term**" has the meaning prescribed thereto in Section 4.1 hereof.

"**Yirendai**" means Yirendai Ltd., a company established under the laws of the Cayman Islands.

"**Yirendai Group**" means Yirendai and its subsidiaries and VIE.

ARTICLE 2

COOPERATION

Section 2.1 During the Term of this Agreement, CreditEase agrees to provide, or cause any other member of the CreditEase Group to provide, Yirendai Group with services and supports in the following aspects:

(a) user acquisition: borrower and investor acquisition through CreditEase Group's business operation;

(b) collection: loan collection support through CreditEase Group's in-house collection team and/or any third-party collection team hired by CreditEase Group;

(c) technology support: technology support, including but not limited to access to CreditEase Group's settlement system and/or any third-party payment platform that is used by CreditEase Group, network design, optimization and maintenance, support and upgrade of business support systems, management of information technology equipment, technical support and disaster recovery, and complementary product development, technology and infrastructure support;

(d) business consulting services: provision of advisory services on business strategies based on structured and data-driven analyses of online wealth management, unsecured and secured consumer lending, financial leasing, SME lending and other related services or businesses;

(e) credit assessment and management consulting services: provision of optimization solutions based on test and analyses of Yirendai's credit assessment and risk management system;

(f) internationalization consulting services: provision of optimization solutions for Yirendai's overseas expansion, especially designing solutions to improve collection efficiency based on research and analyses of collection industries in China and other overseas major markets; and

(g) wealth management consulting services: provision of business optimization solutions based on research and analyses of wealth management industry, design wealth management products and select wealth management products from third parties.

Section 2.2 The Parties further agree the following principle and procedure for service and support in relation to user acquisition:

(a) As far as borrower acquisition is concerned, Yirendai Group shall submit their request for borrower leads to CreditEase Group on a monthly basis, and CreditEase Group shall provide borrower leads in accordance with the borrower criteria submitted by Yirendai Group. CreditEase Group shall direct all the borrowers that meet Yirendai Group's borrower criteria to Yirendai Group per the aforesaid request, and only when Yirendai Group rejects a borrower and so informs CreditEase Group can CreditEase Group offer the borrower any loan products and services of CreditEase Group.

(b) As far as investor acquisition is concerned, if it comes to CreditEase Group's attention that any of existing or potential investors is interested in or considers investment opportunities through an online consumer finance marketplace, CreditEase Group shall, at its discretion, share that information with Yirendai Group, or direct such investor to Yirendai Group or take other measures as it deems appropriate and advisable for the purposes of supporting, promoting and/or facilitating the business of Yirendai Group.

Section 2.3 The Parties agree that fee rate, if any, charged by one party to the other party in relation to the foregoing aspects of cooperation, shall not be higher than the fee rate charged by or to an unrelated third party in an arm's length transaction. With respect to the foregoing aspects of cooperation, the Parties will enter into separate specific agreements from time to time as necessary and appropriate for the purpose of cooperation. Terms and conditions of such specific agreements will be subject to the consultation and mutual agreement of the Parties.

ARTICLE 3

REPRESENTATIONS AND WARRANTIES

Section 3.1 Each Party represents and warrants to the other Party that:

(a) it is a limited liability company lawfully incorporated and validly existing under the laws of the Cayman Islands, having independent legal person status;

(b) it has full and independent legal status and legal capacity to execute, deliver and perform this Agreement, and may be an independent party to a lawsuit;

(c) it has full internal corporate power and authorization to execute and deliver this Agreement and all other documents related to the transaction contemplated by this Agreement and to be executed by it; it has full power and authorization to consummate the transaction contemplated by this Agreement;

(d) this Agreement is lawfully and duly executed and delivered by it; this Agreement constitutes its lawful and binding obligations, enforceable against it according to the terms of this Agreement;

(e) its execution, delivery and performance of this Agreement do not (i) violate its articles of association or any other constitutional documents, (ii) conflict with any agreement or contract or other document to which it is a party or its property is subject, or (iii) violate or conflict with any applicable law.

ARTICLE 4

TERM

Section 4.1 This Agreement shall come into effect upon the execution by the Parties, replacing the Original Agreement in its entirety. Unless this Agreement is terminated pursuant to the express provisions of this Agreement or as agreed by the Parties in writing, the valid term of this Agreement shall end on the earlier of (i) the fifteenth anniversary of the date hereof, or (ii) one year after the Control Ending Date (the "Term"). At least one (1) month prior to the expiration of the Term set forth above, the Parties shall consult each other on the extension of the Term, which shall be mutually agreed to by the Parties in writing.

Section 4.2 The Parties shall complete the approval formalities to extend the business term three (3) months before the expiration of their respective business term, so as to enable the Term to continue.

Section 4.3 Within one (1) year after termination of this Agreement, the Parties shall still comply with the obligations under Article 5 of this Agreement.

ARTICLE 5

CONFIDENTIALITY

Section 5.1 Subject to Section 5.3, each party agrees to hold, and to cause its respective directors, officers, employees, agents, accountants, counsel and other advisors and representatives to hold, in strict confidence, with at least the same degree of care that applies to such Party's confidential and proprietary information pursuant to policies in effect as of the date hereof, all information concerning the other Party that is either in its possession (including information in its possession prior to the date hereof) or furnished by the other Party or its directors, officers, managers, employees, agents, accountants, counsel and other advisors and representatives at any time pursuant to this Agreement or otherwise, and will not use any such information other than for such purposes as will be expressly permitted hereunder or thereunder, except, in each case, to the extent that such information has been i) in the public domain through no fault of such Party or its directors, officers, managers, employees, agents, accountants, counsel and other advisors and representatives, ii) later lawfully acquired from other sources by such Party which sources are not themselves bound by a confidentiality obligation, or iii) independently generated without reference or prior access to any proprietary or confidential information of the other Party.

Section 5.2 Each Party agrees not to release or disclose, or permit to be released or disclosed, any information of the other Party to any other Person, except its directors, officers, employees, agents, accountants, counsel and other advisors and representatives who need to know such information (who will be advised of their obligations hereunder with respect to such information), except in compliance with Section 5.3; provided, however, that any information may be disclosed to third parties (who will be advised of their obligation hereunder with respect to such information) retained by the Provider as the Provider reasonably deems necessary to perform the Services.

Section 5.3 In the event that any Party either determines on the advice of its counsel that it is required to disclose any information pursuant to applicable law (including pursuant to any rule or regulation of any Governmental Authority) or receives any demand under lawful process or from any Governmental Authority to disclose or provide information of any other Party that is subject to the confidentiality provisions hereof, such Party will notify the other Party prior to disclosing or providing such information and will cooperate at the expense of such other Party in seeking any reasonable protective arrangements (including by seeking confidential treatment of such information) requested or required by such other Party. Subject to the foregoing, the person that received such a request or determined that it is required to disclose information may thereafter disclose or provide information to the extent required by such law (as so advised by counsel) or by lawful process or such Governmental Authority; provided, however, that such Person provides the other Party upon request with a copy of the information so disclosed.

ARTICLE 6

NOTICES

Section 6.1 Any notice, request, demand and other correspondences required by this Agreement or made in accordance with this Agreement shall be delivered in writing to the relevant Party to the following addresses (or at such other address for a party as shall be specified in a notice given in accordance with this Section):

if to CreditEase:
3/F, Winterless Center Building A
Chaoyang, Beijing, 100025
People's Republic of China

if to Yirendai:
10/F, Building 9, 91 Jianguo Road
Chaoyang District, Beijing, 100022
The People's Republic of China

or to such other address, facsimile number or email address as the Party to whom notice is given may have previously furnished to the other in writing as provided herein. Any notice involving non-performance or termination shall be sent by hand delivery or recognized courier. All other notices may also be sent by facsimile or email, confirmed by mail. All notices shall be deemed to have been given when received, if hand delivered; when transmitted, if transmitted by facsimile or email; upon confirmation of delivery, if sent by recognized courier; and upon receipt if mailed.

Section 6.2 If any of such notice or other correspondences is transmitted by facsimile or telex, it shall be treated as delivered immediately upon transmission; if delivered in person, it shall be treated as delivered at the time of delivery; if posted by mail, it shall be treated as delivered five (5) days after posting.

ARTICLE 7

DEFAULTING LIABILITY

Section 7.1 The Parties agree and confirm that, if any Party (the "**Defaulting Party**") substantially violates any agreement herein or substantially fails to perform or delays performance of any of the obligations hereunder, such violation, failure or delay shall constitute a default under this Agreement. The non-defaulting Party shall have the right to request the Defaulting Party to rectify or take remedial actions within a reasonable period. If the Defaulting Party fails to rectify or take remedial actions within such reasonable period or within fifteen (15) days after the non-defaulting Party notifies the Defaulting Party in writing requiring rectification, then the non-defaulting Party is entitled to decide at its own discretion to:

(a) terminate this Agreement and require the Defaulting Party to indemnify all of its damages; or

(b) request the Defaulting Party to perform its obligations under this Agreement and require the Defaulting Party to indemnify all of its damages.

ARTICLE 8

FORCE MAJEURE

If the performance by one Party of this Agreement is directly affected or if one Party cannot perform this Agreement in accordance with the agreed conditions due to any unforeseeable force majeure event or an force majeure event whose consequences cannot be prevented or avoided, including earthquakes, typhoons, floods, fires, wars, computer viruses, design loopholes in software tools, hacker attacks on the Internet, changes to policies or laws, etc, the affected Party shall immediately give a notice by fax to the other Party and shall within fifteen (15) days provide the other Party with supporting documents released by the relevant government authorities or a reliable third-party source describing the details of the force majeure event, and explain the reason why this Agreement cannot be performed or why the performance needs to be postponed. If the force majeure event lasts more than thirty (30) days, the Parties hereto shall negotiate amicably and as soon as possible determine whether or not part of this Agreement shall be released from performance or whether or not the performance of this Agreement shall be postponed, depending on the degree of impact of this force majeure event on the performance of this Agreement. Each Party shall not be held liable for any economic losses of the other Party caused by such Party's failure to perform this Agreement completely due to a force majeure event.

ARTICLE 9

MISCELLANEOUS

Section 9.1 Each Party shall pay its own costs and expenses incurred in connection with the negotiation, preparation and execution of this Agreement. Each Party shall be responsible for all taxes payable by it under applicable laws incurred from the execution, performance and consummation of transactions as contemplated hereby.

Section 9.2 This Agreement may not be amended except by an instrument in writing executed by a duly authorized representative of each party.

Section 9.3 This Agreement shall be governed by, and construed in accordance with, the laws of the State of New York, U.S.A.

Section 9.4 (a) Any dispute, controversy or claim arising out of or relating to this Agreement or the breach, termination or validity thereof ("**Dispute**") which arises between the Parties shall first be negotiated between appropriate senior executives of each Party who shall have the authority to resolve the matter. Such executives shall meet to attempt in good faith to negotiate a resolution of the Dispute prior to pursuing other available remedies, within ten (10) days of receipt by a Party of written notice of a Dispute, which date of receipt shall be referred to herein as the "**Dispute Resolution Commencement Date**." Discussions and correspondence relating to trying to resolve such Dispute shall be treated as confidential information and privileged information of each of CreditEase and Yirendai developed for the purpose of settlement and shall be exempt from discovery or production and shall not be admissible in any subsequent proceeding between the Parties.

(b) If the senior executives are unable to resolve the Dispute within sixty (60) days from the Dispute Resolution Commencement Date, then, the Dispute will be submitted to the boards of directors of CreditEase and Yirendai. Representatives of each board of directors shall meet as soon as practicable to attempt in good faith to negotiate a resolution of the Dispute.

(c) If the representatives of the two boards of directors are unable to resolve the Dispute within 120 days from the Dispute Resolution Commencement Date, on the request of any Party, the Dispute will be mediated by a mediator appointed pursuant to the mediation rules of the American Arbitration Association. Both Parties will share the administrative costs of the mediation and the mediator's fees and expenses equally, and each Party shall bear all of its other costs and expenses related to the mediation, including but not limited to attorney's fees, witness fees, and travel expenses. The mediation shall take place in Beijing, China or in whatever alternative forum on which the Parties may agree.

(d) If the Parties cannot resolve any Dispute through mediation within forty five (45) days after the appointment of the mediator (or the earlier withdrawal thereof), each Party shall be entitled to submit the Dispute to Hong Kong International Arbitration Centre for arbitration in accordance with the Hong Kong International Arbitration Centre Administered Arbitration Rules in force at the time when the Dispute is submitted. There shall be three (3) arbitrators. The third and presiding arbitrator shall be qualified to practice law in New York. The place or seat of arbitration shall be Hong Kong. The award of the arbitral tribunal shall be final and binding upon the parties thereto, and the prevailing party may apply to a court of competent jurisdiction for enforcement of such award.

Unless otherwise agreed in writing, the Parties will continue to honor all commitments under this Agreement during the course of dispute resolution pursuant to the provisions of this Section with respect to all matters not subject to such dispute, controversy or claim.

Section 9.5 If any term of this Agreement or the Schedules attached hereto is determined by a court, administrative agency or arbitrator to be invalid, illegal or incapable of being enforced by any rule of law or public policy, all other conditions and provisions of this Agreement shall nevertheless remain in full force and effect 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 determination that any term or other provision is invalid, illegal or incapable of being enforced, the Parties hereto 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 to the end that transactions contemplated hereby are fulfilled to the fullest extent possible.

Section 9.6 This Agreement shall inure to the benefit of and be binding upon the Parties hereto and their respective legal representatives and successors, and nothing in this Agreement, express or implied, is intended to confer upon any other Person any rights or remedies of any nature whatsoever under or by reason of this Agreement.

Section 9.7 No Party may assign this Agreement or any rights or obligations hereunder, without the prior written consent of the other Party, and any such assignment shall be void; *provided*, *however*, each Party may assign this Agreement to a successor entity in conjunction with such Party's reincorporation in another jurisdiction or into another business form.

Section 9.8 The headings contained in this Agreement and in the table of contents to this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement.

Section 9.9 This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original but all of which shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page of this Agreement by facsimile or other electronic imaging means will be effective as delivery of a manually executed counterpart of this Agreement.

[Signature page follows]

IN WITNESS WHEREOF, this Cooperation Framework Agreement is executed by the following Parties on the date first written above.

CreditEase Holdings (Cayman) Limited

By: /s/ Ning Tang
Name: Ning Tang
Title: Chief Executive Officer

Yirendai Ltd.

By: /s/ Yihan Fang
Name: Yihan Fang
Title: Chief Executive Officer

[Signature Page to Amended Cooperation Framework Agreement]

Exhibit 4.10

Execution Version

AMENDED AND RESTATED

INTELLECTUAL PROPERTY LICENSE AGREEMENT

Between

CREDITEASE HOLDINGS (CAYMAN) LIMITED

And

YIRENDAI LTD.

Dated as of March 25, 2019

TABLE OF CONTENTS

AMENDED AND RESTATED INTELLECTUAL PROPERTY LICENSE AGREEMENT

This Amended and Restated Intellectual Property License Agreement (this "**Agreement**") is dated as of March 25, 2019, by and between CreditEase Holdings (Cayman) Limited., a company incorporated under the laws of the Cayman Islands ("**CreditEase**"), and Yirendai Ltd., a company incorporated under the laws of the Cayman Islands ("**Yirendai**") (each of CreditEase and Yirendai a "**Party**" and, together, the "**Parties**").

Capitalized terms used herein and not otherwise defined shall have the meanings ascribed to such terms in Article 1 hereof.

RECITALS

WHEREAS, Yirendai is a leading fintech company in China and its American depositary shares (as defined below) are listed and traded on the New York Stock Exchange;

WHEREAS, CreditEase, being the parent company and controlling shareholder of Yirendai, desires to transfer or cause its controlled entities to transfer to the Yirendai Group certain assets, rights and obligations in connection with certain target business, and Yirendai desires to issue certain Ordinary Shares (as defined below) of Yirendai to CreditEase, in accordance with a Share Subscription Agreement, dated the date hereof, by and between the Parties (the "**Share Subscription Agreement**") and the Specified Transaction Documents (as defined in the Share Subscription Agreement);

WHEREAS, the Parties entered into an intellectual property license agreement dated November 9, 2015 (the "**Original Agreement**"), prior to the consummation of the initial public offering of Yirendai ("**IPO**"); and

WHEREAS, the Parties are willing to enter into this Agreement amending and restating the Original Agreement to reflect the additional license that CreditEase is willing to grant to the Yirendai Group on the terms and conditions set forth herein.

NOW, THEREFORE, for and in consideration of the mutual promises and covenants hereinafter contained, the Parties hereto agree as follows:

AGREEMENT

ARTICLE 1

DEFINITIONS.

"**Confidential Information**" means proprietary business or technical information disclosed by one Party to the other Party hereunder which 1) if disclosed in written, recorded, graphical or other tangible form, is marked "Proprietary," "Confidential" or "Trade Secret," or where it is evident from the nature and content of such information that the disclosing Party considers it to be confidential, 2) if disclosed in oral form, is identified by the disclosing Party as "Proprietary", "Confidential" or "Trade Secret" at the time of oral disclosure, or 3) is evident from the nature and content of such information that the disclosing Party considers it to be confidential.

"**Control Ending Date**" means the earlier of (i) the first date upon which members of the CreditEase Group no longer collectively own at least twenty percent (20%) of the voting power of the then outstanding securities of Yirendai and (ii) the first date upon which CreditEase, collectively with the other members of the CreditEase Group, ceases to be the largest beneficial owner of the then outstanding voting securities of Yirendai (for purposes of this clause (ii), without considering holdings of institutional investors that have acquired Yirendai securities in the ordinary course of their business and not with a purpose nor with the effect of changing or influencing the control of Yirendai).

"**CreditEase**" means CreditEase, Inc., a company established under the laws of the Cayman Islands.

"**CreditEase Group**" means CreditEase and its subsidiaries and VIEs, other than Yirendai and its subsidiaries and VIE.

"**CreditEase Owned Intellectual Property**" means any Intellectual Property owned by the CreditEase or any member of the CreditEase Group.

"**Dispute**" has the meaning set forth in Section 10.6 of this Agreement.

"**Dispute Resolution Commencement Date**" has the meaning set forth in Section 10.6 of this Agreement.

"**Governmental Authority**" means any federal, state, local, foreign or international court, government, department, commission, board, bureau, agency, official or other regulatory, administrative or governmental authority.

"**Improvement**" means any improvement, modification, translation, update, upgrade, new version, enhancement or other derivative work.

"**Intellectual Property**" means intellectual property rights recognized in any jurisdiction of the world, including (a) inventions, patents and patent applications; (b) trademarks, service marks, trade names, trade dress, Internet domain names, logos, designs, symbol and other source indicators, together with the goodwill associated exclusively therewith; (c) copyrights, Software, websites; (d) registrations and applications for registration of any of the foregoing in (a) — (c); and (e) trade secrets, know-how and proprietary or confidential information.

"**IPO Completion Date**" means December 23, 2015, the closing date of the IPO, on which the delivery of and payment for the securities offered by Yirendai (excluding securities offered by Yirendai upon underwriter(s)' exercise of over-allotment option) in connection with the IPO.

"**Software**" means any and all computer programs, software (in object and source code), firmware, middleware, applications, APIs, web widgets, code and related algorithms, models and methodologies, files, documentation and all other tangible embodiments thereof.

"**Term**" has the meaning prescribed thereto in Article 7 hereof.

"**U.S. GAAP**" means generally accepted accounting principles in the United States as in effect from time to time.

"**VIE**" of any person means any entity that is controlled by such person and is deemed to be a variable interest entity consolidated with such person for purposes of U.S. GAAP. As used herein, "control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such entity, whether through ownership of voting securities or other interests, by contract or otherwise.

"**Yirendai**" means Yirendai Ltd., a company established under the laws of the Cayman Islands.

"**Yirendai Group**" means Yirendai and its subsidiaries and VIE.

"**Yirendai Owned Intellectual Property**" means any Intellectual Property owned by Yirendai or any member of the Yirendai Group.

ARTICLE 2

GRANT AND SCOPE OF LICENSE.

Section 2.1 (a) Subject to the terms and conditions herein and sub-section (b) of this section, CreditEase, on behalf of itself and other members of the CreditEase Group, hereby grants to Yirendai and other members of the Yirendai Group a worldwide, royalty-free, fully paid-up (except as set forth below in Article 4), non-sublicensable (except as set forth below in Section 2.3), non-transferable (except as set forth below in Section 10.10), limited and non-exclusive license solely to use, reproduce, modify, prepare derivative works of, perform, display, or otherwise exploit (i) the CreditEase Owned Intellectual Property that as of the date of this Agreement is used by any member of the Yirendai Group, including without limitation the Intellectual Property set forth on Schedule A, (ii) the CreditEase Owned Intellectual Property that is or will be needed by any member of the Yirendai Group for its existing business(es) as of the date of this Agreement, and (iii) any Improvements to the foregoing (i) and (ii) in accordance with Section 5.1 within the term of this Agreement.

(b) Notwithstanding the foregoing, CreditEase, on behalf of itself and other members of the CreditEase Group, hereby grants to Yirendai and other members of the Yirendai Group a worldwide, royalty-free, fully paid-up (except as set forth below in Article 4), sublicensable, transferable, unlimited and exclusive license to use, reproduce, modify, prepare derivative works of, perform, display, sublicense, transfer or otherwise exploit the trademarks set forth under items 45 to 54 in Schedule A, until and unless such trademarks are transferred to Yirendai or any member of the Yirendai Group. Without Yirendai's prior written consent, CreditEase or any member of the CreditEase Group shall not transfer such trademarks to any third party.

Section 2.2 Subject to the terms and conditions herein, Yirendai, on behalf of itself and other members of the Yirendai Group, hereby grants to CreditEase and the members of the CreditEase Group a worldwide, royalty-free, fully paid-up (except as set forth below in Article 4), non-sublicensable (except as set forth below in Section 2.3), non-transferable (except as set forth below in Section 10.10), limited and non-exclusive license solely to use, reproduce, modify, prepare derivative works of, perform, display, or otherwise exploit (i) the Yirendai Owned Intellectual Property that as of the date of this Agreement is used by any member of the CreditEase Group, including without limitation the Intellectual Property set forth on Schedule B, (ii) the Yirendai Owned Intellectual Property that is or will be needed by any member of the CreditEase Group for its existing business(es) as of the date of this Agreement, and (iii) any Improvements to the foregoing (i) and (ii) in accordance with Section 5.2 within the term of this Agreement.

Section 2.3 Each licensed Party hereunder may sublicense the licenses received herein solely (a) to its vendors, consultants, contractors and suppliers, solely in connection with their providing services to CreditEase and/or the CreditEase Group, on the one hand, or Yirendai and/or the Yirendai Group, on the other hand, as the case may be; and (b) to its distributors, customers and end-users, solely in connection with the distribution, licensing, offering and sale of their current and future products and services related to each of their businesses, as applicable, but not for any independent or unrelated use of any such Person.

Section 2.4 As between the Parties, CreditEase Group retains title to the CreditEase Owned Intellectual Property, and does not convey any proprietary interest therein to Yirendai Group other than the licenses or as otherwise expressly specified herein. All rights in and to such CreditEase Owned Intellectual Property not expressly granted herein are hereby reserved exclusively by CreditEase Group. Yirendai Group shall reasonably cooperate and provide reasonable assistance as may be necessary to verify CreditEase Group's ownership rights in accordance with the foregoing. As between the Parties, Yirendai Group retains title to the Yirendai Owned Intellectual Property and does not convey any proprietary interest therein to the CreditEase Group other than the licenses or as otherwise expressly specified herein. All rights in and to such Yirendai Owned Intellectual Property not expressly granted herein are hereby reserved exclusively by Yirendai Group. CreditEase Group shall reasonably cooperate and provide reasonable assistance as may be necessary to verify Yirendai's ownership rights in accordance with the foregoing.

Section 2.5 Each Party acknowledges and agrees that, except as set forth in Section 2.6, Article 4 and Article 5 hereof, neither Party has any obligations under this Agreement with respect to delivery, training, registration, maintenance, policing, support, notification of infringements or renewal with respect to any Intellectual Property licensed herein.

Section 2.6 As between the Parties, each Party shall have sole and exclusive discretion and control with respect to prosecuting, obtaining, maintaining, renewing and protecting applications and registrations for any Intellectual Property it owns and shall do so at its own costs and expenses during the term of this Agreement, except as otherwise provided herein. Each Party shall notify the other Party promptly in writing in the event such Party becomes aware of any third party infringement or threatened infringement of any Intellectual Property owned by the other Party.

ARTICLE 3

AGREEMENT ON SHARING OF INFORMATION AND DATA.

Section 3.1 To the extent permitted under applicable laws and regulations, each Party agrees to share with the other Party and its subsidiaries and VIE(s) information and data that such Party acquires in the ordinary course of its business operation, including without limited to, borrower and investor information and credit and loan data, in the following manners:

(a) each Party agrees to provide the other Party and its subsidiaries and VIE(s) with interfaces of its database or the database maintained and operated by its subsidiaries and VIEs such that the other Party and its subsidiaries and VIE(s) will have access to these databases to the extent reasonably requested by the requesting Party;

(b) each Party agrees to provide, or cause to be provided, to the other Party, at any time, promptly after written request therefor, all information and data regularly provided by one Party to the other Party prior to the IPO Completion Date and any information in the possession or under the control of such Party to the extent reasonably requested by the requesting Party.

Each Party shall retain ownership of information and data that it shares with the other Party under this Section 3.1. Unless otherwise agreed by the Parties in writing, information and data sharing under this Section 3.1 shall be free of charge. The Parties may further consult with each other to determine on a case-by-case basis and review on a quarterly basis the scope of the information and data to be shared, the plan of implementation and fees to be charged (if any) for such information and data sharing.

ARTICLE 4

MAINTENANCE AND SUPPORT.

During the term of this Agreement, each Party shall provide or cause to be provided to the other Party and its affiliates all support services in connection with the Intellectual Property licensed under Article 2. Such maintenance and support services shall be provided pursuant to the service levels consistent with past practice, and may be charged at reasonably allocated costs on fair and reasonable terms to be mutually agreed upon by the Parties.

ARTICLE 5

IMPROVEMENTS; DELIVERY.

Section 5.1 If CreditEase or Yirendai creates or develops any Improvements to the CreditEase Owned Intellectual Property during the term of this Agreement, such Improvements shall be deemed a part of the CreditEase Owned Intellectual Property for the purposes of this Agreement and licensed to Yirendai Group pursuant to the license granted in Section 2.1.

Section 5.2 If Yirendai or CreditEase creates or develops any Improvements to the Yirendai Owned Intellectual Property during the term of this Agreement, such Improvements shall be deemed a part of the Yirendai Owned Intellectual Property for the purposes of this Agreement and licensed to CreditEase Group pursuant to the license granted in Section 2.2.

ARTICLE 6

CONFIDENTIAL INFORMATION.

Each Party hereto shall maintain the confidentiality of Confidential Information in accordance with procedures adopted by such Party in good faith to protect Confidential Information disclosed to such Party hereunder, provided that such Party may disclose Confidential Information to (a) such Party's officers, directors, employees, investors, agents, representatives, accountants and counsel who agree to hold confidential the Confidential Information; (b) any Governmental Authority having jurisdiction over such Party to the extent required by applicable laws; or (c) any other Person to which such disclosure may be necessary or appropriate (i) to effect compliance with any law applicable to such Party, (ii) in response to any subpoena or other legal process, or (iii) in connection with any litigation to which such Party is a Party; provided further that, in the cases of clauses (b) or (c), such Party shall provide each other Party hereto with prompt written notice thereof so that the appropriate Party may seek (with the cooperation and reasonable efforts of each other Party) a protective order, confidential treatment or other appropriate remedy.

ARTICLE 7

TERM AND TERMINATION.

Section 7.1 This Agreement shall come into effect upon the execution by the Parties, replacing the Original Agreement in its entirety. Unless this Agreement is terminated pursuant to the express provisions of this Agreement or as agreed by the Parties in writing, the valid term of this Agreement shall end on the earlier of (i) the thirtieth anniversary of the date hereof, or (ii) one year after the Control Ending Date (the "**Term**"). At least one (1) month prior to the expiration of the Term set forth above, the Parties shall consult each other on the extension of the Term, which shall be mutually agreed to by the Parties in writing.

Section 7.2 Each Party shall have the right to terminate this Agreement in whole or in part if the other Party materially fails to comply with Article 6 of this Agreement, provided such default has not been cured within thirty (30) days after written notice of such default to the defaulting Party (such thirty (30) days remediation period will be available only when such breach is curable).

Section 7.3 Upon termination of this Agreement, in whole or in part, each Party shall promptly return to the other Party or destroy all materials relating to the terminated portion which comprise any Confidential Information of the other Party, including all copies, translations and conversions thereof and shall make no further use thereof. Each Party shall certify to the other Party in writing that it has complied with the provisions of this Section 7.4.

Section 7.4 The obligations of the Parties in Articles 6-Article 10 shall survive termination of this Agreement. Nothing contained herein shall limit any other remedies that a Party may have for the default of the other Party under this Agreement nor relieve the other Party of any of its obligations incurred prior to such termination.

ARTICLE 8

DISCLAIMER.

THE INTELLECTUAL PROPERTY LICENSED BY EACH PARTY HEREUNDER IS PROVIDED "AS IS." NEITHER PARTY PROVIDES ANY WARRANTIES, EITHER EXPRESS, IMPLIED, STATUTORY, OR OTHERWISE, WITH RESPECT TO ANY SUCH INTELLECTUAL PROPERTY, AND THE PARTIES SPECIFICALLY DISCLAIM ALL IMPLIED WARRANTIES, INCLUDING THE IMPLIED WARRANTIES OF MERCHANTABILITY, NON-INFRINGEMENT AND FITNESS FOR A PARTICULAR PURPOSE OR ANY WARRANTIES THAT MAY BE OTHERWISE IMPLIED FROM ANY COURSE OF DEALING OR COURSE OF PERFORMANCE OR USAGE.

ARTICLE 9

LIMITATION OF LIABILITY.

EXCEPT FOR ANY BREACH OF ARTICLE 2 OR ARTICLE 6 OF THIS AGREEMENT, IN NO EVENT SHALL EITHER PARTY BE LIABLE TO THE OTHER PARTY FOR ANY LOST PROFITS OR CONSEQUENTIAL, INDIRECT, PUNITIVE, EXEMPLARY, SPECIAL, OR INCIDENTAL DAMAGES ARISING FROM OR RELATING TO THIS AGREEMENT, WHETHER IN CONTRACT OR TORT OR OTHERWISE, EVEN IF SUCH PARTY KNEW OR SHOULD HAVE KNOWN OF THE POSSIBILITY OF SUCH DAMAGES.

ARTICLE 10

MISCELLANEOUS.

Section 10.1 If required under PRC law, each Party shall record this Agreement at the Trademark Office of China and at the Patent Bureau of China within three (3) months after the effectiveness of this Agreement. The Parties agree to work together in good faith to modify this Agreement or enter into one or more new intellectual property license agreements subordinate to this Agreement as necessary in order to obtain such recordation. In the event of any conflict or inconsistency between any provision of such new intellectual property license agreement and the provisions set forth in the body of this Agreement, the provisions set forth in this Agreement shall control and govern.

Section 10.2 This Agreement may not be amended except by an instrument in writing executed by a duly authorized representative of each Party.

Section 10.3 Notices, offers, requests or other communications required or permitted to be given by a Party pursuant to the terms of this Agreement shall be given in writing to the other Party to the following addresses (or at such other address for a Party as shall be specified in a notice given in accordance with this Section):

(a) if to CreditEase:

3/F, Winterless Center Building A
Chaoyang, Beijing, 100025
People's Republic of China

(b) if to Yirendai:

10/F, Building 9, 91 Jianguo Road
Chaoyang District, Beijing, 100022
The People's Republic of China

or to such other address, facsimile number or email address as the party to whom notice is given may have previously furnished to the other in writing as provided herein. Any notice involving non-performance or termination shall be sent by hand delivery or recognized courier. All other notices may also be sent by facsimile or email, confirmed by mail. All notices shall be deemed to have been given when received, if hand delivered; when transmitted, if transmitted by facsimile or email; upon confirmation of delivery, if sent by recognized courier; and upon receipt if mailed.

If any of such notice or other correspondences is transmitted by facsimile or telex, it shall be treated as delivered immediately upon transmission; if delivered in person, it shall be treated as delivered at the time of delivery; if posted by mail, it shall be treated as delivered five (5) days after posting.

Section 10.4 This Agreement shall be governed by, and construed in accordance with, the laws of the State of New York, U.S.A without regard to the conflict of laws rules stated therein.

Section 10.5 The Parties hereto acknowledge and agree that the Parties hereto may be irreparably damaged if any of the provisions of this Agreement are not performed in accordance with their specific terms or are otherwise breached and that any non-performance or breach of this Agreement by any Party hereto may not be adequately compensated by monetary damages alone and that the Parties hereto may not have any adequate remedy at law. Accordingly, in addition to any other right or remedy to which any Party hereto may be entitled, at law or in equity (including monetary damages), such Party shall be entitled to enforce any provision of this Agreement (including Sections 2.1, 2.2 and 2.3) by a decree of specific performance and to temporary, preliminary and permanent injunctive relief to prevent breaches or threatened breaches of any of the provisions of this Agreement without posting any bond or other undertaking.

Section 10.6 (a) Any dispute, controversy or claim arising out of or relating to this Agreement or the breach, termination or validity thereof ("**Dispute**") which arises between the Parties shall first be negotiated between appropriate senior executives of each Party who shall have the authority to resolve the matter. Such executives shall meet to attempt in good faith to negotiate a resolution of the Dispute prior to pursuing other available remedies, within ten (10) days of receipt by a Party of written notice of a Dispute, which date of receipt shall be referred to herein as the "**Dispute Resolution Commencement Date**." Discussions and correspondence relating to trying to resolve such Dispute shall be treated as Confidential Information of each of CreditEase and Yirendai developed for the purpose of settlement and shall be exempt from discovery or production and shall not be admissible in any subsequent proceeding between the Parties.

(b) If the senior executives are unable to resolve the Dispute within sixty (60) days from the Dispute Resolution Commencement Date, then, the Dispute will be submitted to the boards of directors of CreditEase and Yirendai. Representatives of each board of directors shall meet as soon as practicable to attempt in good faith to negotiate a resolution of the Dispute.

(c) If the representatives of the two boards of directors are unable to resolve the Dispute within 120 days from the Dispute Resolution Commencement Date, on the request of any Party, the Dispute will be mediated by a mediator appointed pursuant to the mediation rules of the American Arbitration Association. Both Parties will share the administrative costs of the mediation and the mediator's fees and expenses equally, and each Party shall bear all of its other costs and expenses related to the mediation, including but not limited to attorney's fees, witness fees, and travel expenses. The mediation shall take place in Beijing, China or in whatever alternative forum on which the Parties may agree.

(d) If the Parties cannot resolve any Dispute through mediation within forty five (45) days after the appointment of the mediator (or the earlier withdrawal thereof), each Party shall be entitled to submit the Dispute to Hong Kong International Arbitration Centre for arbitration in accordance with the Hong Kong International Arbitration Centre Administered Arbitration Rules in force at the time when the Dispute is submitted. There shall be three (3) arbitrators. The third and presiding arbitrator shall be qualified to practice law in New York. The place or seat of arbitration shall be Hong Kong. The award of the arbitral tribunal shall be final and binding upon the parties thereto, and the prevailing party may apply to a court of competent jurisdiction for enforcement of such award.

Unless otherwise agreed in writing, the Parties will continue to honor all commitments under this Agreement during the course of dispute resolution pursuant to the provisions of this Section with respect to all matters not subject to such dispute, controversy or claim.

Section 10.7 This Agreement, together with all the Schedules and other attachments hereto, constitutes the entire agreement of the Parties hereto as of the date hereof with respect to the subject matter hereof and thereof and supersedes all prior agreements (including the Original Agreement), negotiations, discussions, writings, understandings, commitments and conversations with respect to the subject matter hereof and thereof.

Section 10.8 If any term of this Agreement is determined by a court, administrative agency or arbitrator to be invalid, illegal or incapable of being enforced by any rule of law or public policy, all other conditions and provisions of this Agreement shall nevertheless remain in full force and effect 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 determination that any term or other provision is invalid, illegal or incapable of being enforced, the Parties hereto 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 to the end that transactions contemplated hereby are fulfilled to the fullest extent possible.

Section 10.9 No failure or delay on the part of any Party hereto in the exercise of any right hereunder shall impair such right or be construed to be a waiver of, or acquiescence in, any breach of any representation, warranty or agreement herein, nor shall any single or partial exercise of any such right preclude other or further exercise thereof or of any other right. All rights and remedies existing under this Agreement or Schedules attached hereto are cumulative to, and not exclusive of, any rights or remedies otherwise available.

Section 10.10 No Party may assign this Agreement or any rights or obligations hereunder, without the prior written consent of the other Party, and any such assignment shall be void; provided, however, each Party may assign this Agreement to a successor entity in conjunction with such Party's reincorporation in another jurisdiction or into another business form. Subject to the foregoing, this Agreement shall be binding on and inure to the benefit of the Parties' respective successors and permitted assigns.

Section 10.11 The headings in this Agreement are for purposes of reference only and shall not in any way limit or affect the meaning or interpretation of any of the terms hereof.

Section 10.12 This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original but all of which shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page of this Agreement by facsimile or other electronic imaging means will be effective as delivery of a manually executed counterpart of this Agreement.

[Signature page follows]

IN WITNESS WHEREOF, the Parties hereto, each acting under due and proper authority, have executed this Agreement as of the day, month and year first above written.

CreditEase Holdings (Cayman) Limited

By: /s/ Ning Tang
Name: Ning Tang
Title: Chief Executive Officer

Yirendai Ltd.

By: /s/ Yihan Fang
Name: Yihan Fang
Title: Chief Executive Officer

[Signature Page to Amended Intellectual Property License Agreement]

Schedule A

CreditEase Owned Intellectual Property

A. Trademarks

No.	Marks	Registrant/ Applicant	Registration/ Application Number	Class	Registration/ Application Date	Jurisdiction
1.	宜信	Pu Xin Heng Ye Technology Development (Beijing) Co., Ltd. (普信恒业科技发展（北京）有限公司) ("Pu Xin Heng Ye")	11148099	10	7/10/2012	PRC
2.	宜信	Pu Xin Heng Ye	11148098	13	7/10/2012	PRC
3.	宜信	Pu Xin Heng Ye	11148097	14	7/10/2012	PRC
4.	宜信	Pu Xin Heng Ye	11148096	15	7/10/2012	PRC
5.	宜信	Pu Xin Heng Ye	11148095	18	7/10/2012	PRC
6.	宜信	Pu Xin Heng Ye	11148094	26	7/10/2012	PRC
7.	宜信	Pu Xin Heng Ye	11148093	29	7/10/2012	PRC
8.	宜信	Pu Xin Heng Ye	11148092	30	7/10/2012	PRC
9.	宜信	Pu Xin Heng Ye	11148091	32	7/10/2012	PRC
10.	宜信	Pu Xin Heng Ye	11148090	33	7/10/2012	PRC
11.	宜信	Pu Xin Heng Ye	11148089	34	7/10/2012	PRC
12.	宜信	CreditEase Hui Min Investment Management (Beijing) Co., Ltd. (宜信惠民投资管理（北京）有限公司) ("CreditEase Hui Min")	6218653	36	3/28/2010	PRC
13.	宜信	Pu Xin Heng Ye	11148087	37	7/10/2012	PRC
14.	宜信	Pu Xin Heng Ye	11148086	38	7/10/2012	PRC
15.	宜信	Pu Xin Heng Ye	11148085	40	7/10/2012	PRC
16.	宜信	Pu Xin Heng Ye	11148084	41	7/10/2012	PRC
17.	宜信	Pu Xin Heng Ye	11148083	42	7/10/2012	PRC

18.	宜信	Pu Xin Heng Ye	11148082	43	7/10/2012	PRC
19.	宜信	Pu Xin Heng Ye	11148081	44	7/10/2012	PRC
20.	宜信	Pu Xin Heng Ye	11148080	45	7/10/2012	PRC
21.	宜信	Pu Xin Heng Ye	11148118	10	7/10/2012	PRC
22.	宜信	Pu Xin Heng Ye	11148117	13	7/10/2012	PRC
23.	宜信	Pu Xin Heng Ye	11148116	14	7/10/2012	PRC
24.	宜信	Pu Xin Heng Ye	11148115	15	7/10/2012	PRC
25.	宜信	Pu Xin Heng Ye	11148114	18	7/10/2012	PRC
26.	宜信	Pu Xin Heng Ye	11148113	26	7/10/2012	PRC
27.	宜信	Pu Xin Heng Ye	11148112	29	7/10/2012	PRC
28.	宜信	Pu Xin Heng Ye	11148111	30	7/10/2012	PRC
29.	宜信	Pu Xin Heng Ye	11148110	32	7/10/2012	PRC
30.	宜信	Pu Xin Heng Ye	11148109	33	7/10/2012	PRC
31.	宜信	Pu Xin Heng Ye	11148108	34	7/10/2012	PRC
32.	宜信	Pu Xin Heng Ye	11148107	37	7/10/2012	PRC
33.	宜信	Pu Xin Heng Ye	11148106	38	7/10/2012	PRC
34.	宜信	Pu Xin Heng Ye	11148105	40	7/10/2012	PRC
35.	宜信	Pu Xin Heng Ye	11148104	41	7/10/2012	PRC
36.	宜信	Pu Xin Heng Ye	11148103	42	7/10/2012	PRC
37.	宜信	Pu Xin Heng Ye	11148102	43	7/10/2012	PRC
38.	宜信	Pu Xin Heng Ye	11148101	44	7/10/2012	PRC
39.	宜信	Pu Xin Heng Ye	11148100	45	7/10/2012	PRC
40.	CreditEase	CreditEase Hui Min	6218653	36	03/28/2010	PRC
41.	宜信	CreditEase Asset Management (Singapore) Pte. Ltd.	40201613433T	09, 35, 36, 38, 41 and 42	08/18/2016	Singapore
42.	CreditEase	CreditEase Asset Management (Singapore) Pte. Ltd.	40201613415S	09, 35, 36, 38, 41 and 42	08/18/2016	Singapore

43.	宜信	CreditEase Holdings Hong Kong Limited (宜信控股香港有限公司)	303329307	35, 36 and 42	02/15/2016	Hong Kong
44.	CreditEase	CreditEase Holdings Hong Kong Limited (宜信控股香港有限公司)	303329325	35, 36 and 42	03/28/2017	Hong Kong
45.	宜人贷	Pu Xin Heng Ye	11499250	41	10/8/2012	PRC
46.	宜人贷	Pu Xin Heng Ye	11499249	42	10/8/2012	PRC
47.	宜定赢	Pu Xin Heng Ye	15658201	9	11/6/2014	PRC
48.	宜定赢	Pu Xin Heng Ye	15658201	35	11/6/2014	PRC
49.	宜定赢	Pu Xin Heng Ye	15658201	36	11/6/2014	PRC
50.	宜定赢	Pu Xin Heng Ye	15658201	42	11/6/2014	PRC
51.	宜定盈	Pu Xin Heng Ye	15658202	9	11/6/2014	PRC
52.	宜定盈	Pu Xin Heng Ye	15658202	35	11/6/2014	PRC
53.	宜定盈	Pu Xin Heng Ye	15658202	36	11/6/2014	PRC
54.	宜定盈	Pu Xin Heng Ye	15658202	42	11/6/2014	PRC

Schedule B

Yirendai Owned Intellectual Property

A. Trademarks

No.	Marks	Registrant/ Applicant	Registration/ Application Number	Class	Jurisdiction
1.	极速模式(1)	Heng Cheng Technology Development (Beijing) Co., Ltd. ("Heng Cheng")	16059911	35	PRC
2.	极速模式(1)	Heng Cheng	16059911	36	PRC
3.		Yi Ren Heng Ye Technology Development (Beijing) Co., Ltd. ("Heng Ye")	303329299	35, 36, 42	Hong Kong
4.	钱相随(1)	Heng Ye	Not applicable	35, 36	PRC

(1) In the application process as of the date of this Agreement.

B. Domain Names

No.	Domain Name	Registrant	Renewal Date
1.	yirendai.com	Heng Cheng	2017.12.31

Exhibit 4.17

Amended and Restated Loan Agreement

This Amended and Restated Loan Agreement (this "Agreement") is made and entered into by and between the Parties below as of May 17, 2018 in Beijing, China:

(1) **Chongqing Hengyuda Technology Co., Ltd.**, a wholly foreign owned enterprise, organized and existing under the laws of the PRC, with its address at Room 3507, Floor 35, HNA-Poly International Center, No. 235, Minsheng Road, Yuzhong District, Chongqing;

(2) **Fanshun KONG** ("Borrower"), a citizen of China with Chinese Identification No.: .

Each of the Lender and the Borrower shall be hereinafter referred to as a "Party" respectively, and as the "Parties" collectively.

Whereas:

1. The Parties hereto entered into an Loan Agreement dated October 13, 2016 (the "Prior Agreement");

2. As of the date hereof, Borrower holds 30% of equity interests in Yiren Financial Information Services (Beijing) Co., Ltd. ("Borrower Company"). All of the equity interest now held and hereafter acquired by Borrower in Borrower Company shall be referred to as Borrower Equity Interest;

3. Lender confirms that it agrees to provide Borrower with and Borrower confirms that he/she has received a loan which equals to RMB 78,000,000 to be used for the purposes set forth under this Agreement.

4. Lender confirms that it has provided Borrower with and Borrower confirms that he/she has received a loan which equals to RMB 3,000,000 to be used for the purposes set forth under the Prior Agreement according to the Prior Agreement. Such loan is regarded as part of the loan provided by the Lender to the Borrower under this Agreement.

Now, therefore, the Parties have mutually agreed to execute this Agreement upon the following terms, which will terminate and replace the Prior Agreement in its entirety and in all aspects

1 Loan

1.1 In accordance with the terms and conditions of this Agreement, Lender and Borrower hereby acknowledge that Borrower has obtained from Lender a loan in the amount of RMB 78,000,000 (the "Loan"). The term of the Loan shall be 10 years from the effective date of this Agreement, which may be extended upon mutual written consent of the Parties. During the term of the Loan or the extended term of the Loan, Borrower shall immediately repay the full amount of the Loan in the event any one or more of the following circumstances occur:

1.1.1 30 days elapse after Borrower receives a written notice from Lender requesting repayment of the Loan;

1.1.2 Borrower's death, lack or limitation of civil capacity;

1.1.3 Borrower ceases (for any reason) to be an employee of Lender, Borrower Company or their affiliates;

1.1.4 Borrower engages in criminal act or is involved in criminal activities;

1.1.5 According to the applicable laws of China, foreign investors are permitted to invest in the principle business that is currently conducted by Borrower Company in China with a controlling stake and/or in the form of wholly-foreign-owned enterprises, the relevant competent authorities of China begin to approve such investments, and Lender exercises the exclusive option under the Amended and Restated Exclusive Option Agreement (the "Exclusive Option Agreement") described in this Agreement.

1.2 The Loan provided by Lender under this Agreement shall inure to Borrower's benefit only and not to Borrower's successors or assigns.

1.3 Borrower agrees to accept the aforementioned Loan provided by Lender, and hereby agrees and warrants using the Loan to subscribe the registered capital of Borrower Company. Without Lender's prior written consent, Borrower shall not use the Loan for any purpose other than as set forth herein.

1.4 Lender and Borrower hereby agree and acknowledge that Borrower's method of repayment shall be at the sole discretion of Lender, and shall at Lender's option take the form of Borrower's transferring the Borrower Equity Interest in whole to Lender or Lender's designated persons (legal or natural persons) pursuant to the Lender's exercise of its right to acquire the Borrower Equity Interest under the Exclusive Option Agreement, and any proceeds from the transfer of the Borrower Equity Interest (to the extent permissible) shall be used by the Borrower to repay the Loan to Lender, in accordance with this Agreement and in the manner designated by Lender.

1.5 Lender and Borrower hereby agree and acknowledge that to the extent permitted by applicable laws, Lender shall have the right but not the obligation to purchase or designate other persons (legal or natural persons) to purchase Borrower Equity Interest in part or in whole at any time, at the price stipulated in the Exclusive Option Agreement.

1.6 Borrower also undertakes to execute an irrevocable Power of Attorney (the "Power of Attorney"), which authorizes Lender or a legal or natural person designated by Lender to exercise all of Borrower's rights as a shareholder of Borrower Company.

1.7 When Borrower transfers Borrower Equity Interest to Lender or Lender's designated person(s), in the event that the transfer price of such equity interest equals or is lower than the principal of the Loan under this Agreement, the Loan under this Agreement shall be deemed an interest-free loan. In the event that the transfer price of such equity interest exceeds the principal of the Loan under this Agreement, the excess over the principal shall be deemed the interest of the Loan under this Agreement payable by Borrower to Lender.

2 <u>Representations and Warranties</u>

2.1 Between the date of this Agreement and the date of termination of this Agreement, Lender hereby makes the following representations and warranties to Borrower:

2.1.1 Lender is a corporation duly organized and legally existing in accordance with the laws of China;

2.1.2 Lender has the legal capacity to execute and perform this Agreement. The execution and performance by Lender of this Agreement is consistent with Lender's scope of business and the provisions of Lender's corporate bylaws and other organizational documents, and Lender has obtained all necessary and proper approvals and authorizations for the execution and performance of this Agreement; and

2.1.3 This Agreement constitutes Lender's legal, valid and binding obligations enforceable in accordance with its terms.

2.2 Between the date of this Agreement and the date of termination of this Agreement, Borrower hereby makes the following representations and warranties:

2.2.1 Borrower has the legal capacity to execute and perform this Agreement. Borrower has obtained all necessary and proper approvals and authorizations for the execution and performance of this Agreement;

2.2.2 This Agreement constitutes Borrower's legal, valid and binding obligations enforceable in accordance with its terms; and

2.2.3 There are no disputes, litigations, arbitrations, administrative proceedings or any other legal proceedings relating to Borrower, nor are there any potential disputes, litigations, arbitrations, administrative proceedings or any other legal proceedings relating to Borrower.

3 Borrower's Covenants

3.1 As and when he becomes, and for so long as he remains a shareholder of Borrower Company, Borrower covenants irrevocably that during the term of this Agreement, Borrower shall cause Borrower Company:

3.1.1 to strictly abide by the provisions of the Exclusive Option Agreement and the Exclusive Business Cooperation Agreement ("Exclusive Business Cooperation Agreement") to which the Borrower Company is a party, and to refrain from any action/omission that may affect the effectiveness and enforceability of the Exclusive Option Agreement and Exclusive Business Cooperation Agreement.

3.1.2 at the request of Lender (or a party designated by Lender), to execute contracts/agreements on business cooperation with Lender (or a party designated by Lender), and to strictly abide by such contracts/agreements;

3.1.3 to provide Lender with all of the information on Borrower Company's business operations and financial condition at Lender's request;

3.1.4 to immediately notify Lender of the occurrence or possible occurrence of any litigation, arbitration or administrative proceedings relating to Borrower Company's assets, business or income;

3.1.5 at the request of Lender, to appoint any persons designated by Lender as directors of Borrower Company;

3.2 Borrower covenants that during the term of this Agreement, he shall:

3.1.6 endeavor to keep Borrower Company to engage in its principle businesses;

3.1.7 abide by the provisions of this Agreement, the Power of Attorney, the Amended and Restated Equity Interest Pledge Agreement ("Equity Interest Pledge Agreement") and the Exclusive Option Agreement to which the Borrower is a party, perform his obligations under this Agreement, the Power of Attorney, the Equity Interest Pledge Agreement and the Exclusive Option Agreement, and refrain from any action/omission that may affect the effectiveness and enforceability of this Agreement, the Power of Attorney, the Equity Interest Pledge Agreement and the Exclusive Option Agreement;

3.1.8 not sell, transfer, mortgage or dispose of in any other manner the legal or beneficial interest in Borrower Equity Interest, or allow the encumbrance thereon of any security interest or the encumbrance, except in accordance with the Equity Interest Pledge Agreement;

3.1.9 cause any shareholders' meeting and/or the board of directors of Borrower Company not to approve the sale, transfer, mortgage or disposition in any other manner of any legal or beneficial interest in Borrower Equity Interest, or allow the encumbrance thereon of any security interest, except to Lender or Lender's designated person;

3.1.10 cause any shareholders' meeting and/or the board of directors of the Borrower Company not to approve the merger or consolidation of Borrower Company with any person, or its acquisition of or investment in any person, without the prior written consent of Lender;

3.1.11 immediately notify Lender of the occurrence or possible occurrence of any litigation, arbitration or administrative proceedings relating to Borrower Equity Interest;

3.1.12 to the extent necessary to maintain his ownership of the Borrower Equity Interest, execute all necessary or appropriate documents, take all necessary or appropriate actions and file all necessary or appropriate complaints or raise necessary and appropriate defense against all claims;

3.1.13 without the prior written consent of Lender, refrain from any action /omission that may have a material impact on the assets, business and liabilities of Borrower Company;

3.1.14 appoint any designee of Lender as director of Borrower Company, at the request of Lender;

3.1.15 to the extent permitted by the laws of China, at the request of Lender at any time, promptly and unconditionally transfer all of Borrower Equity Interest to Lender or Lender's designated representative(s) at any time, and cause the other shareholders of Borrower Company to waive their right of first refusal with respect to the share transfer described in this Section;

3.1.16 to the extent permitted by the laws of China, at the request of Lender at any time, cause the other shareholders of Borrower Company to promptly and unconditionally transfer all of their equity interests to Lender or Lender's designated representative(s) at any time, and Borrower hereby waives his right of first refusal (if any) with respect to the share transfer described in this Section;

3.1.17 in the event that Lender purchases Borrower Equity Interest from Borrower in accordance with the provisions of the Exclusive Option Agreement, use such purchase price obtained thereby to repay the Loan to Lender; and

3.1.18 without the prior written consent of Lender, not to cause Borrower Company to supplement, change, or amend its articles of association in any manner, increase or decreases its registered capital or change its share capital structure in any manner.

4 Liability for Default

If Borrower conducts any material breach of any term of this Agreement, Lender shall have right to terminate this Agreement and require the Borrower to compensate all damages; this Section 4.1 shall not prejudice any other rights of Lender herein.

4.1 Borrower shall not terminate this Agreement in any event unless otherwise required by applicable laws.

4.2 In the event that Borrower fails to perform the repayment obligations set forth in this Agreement, Borrower shall pay overdue interest of 0.01% per day for the outstanding payment, until the day Borrower repays the full principal of the Loan, overdue interests and other payable amounts.

5 Notices

5.1 All notices and other communications required or permitted to be given pursuant to this Agreement shall be delivered personally or sent by registered mail, postage prepaid, by a commercial courier service or by facsimile transmission to the address of such Party set forth below. A confirmation copy of each notice shall also be sent by email. The dates on which notices shall be deemed to have been effectively given shall be determined as follows:

5.1.1 Notices given by personal delivery, by courier service or by registered mail, postage prepaid, shall be deemed effectively given on the date of delivery.

5.1.2 Notices given by facsimile transmission shall be deemed effectively given on the date of successful transmission (as evidenced by an automatically generated confirmation of transmission).

5.2 For the purpose of notices, the addresses of the Parties are as follows:

Lender: **Chongqing Hengyuda Technology Co., Ltd.**
Address: Room 3507, Floor 35, HNA-Poly International Center, No. 235, Minsheng Road, Yuzhong District, Chongqing
Attn: Lin MEI
Phone:
Email:

Borrower: **Fanshun KONG**
Address:
Phone:
Email:

5.3 Any Party may at any time change its address for notices by a notice delivered to the other Party in accordance with the terms hereof.

6 Confidentiality

The Parties acknowledge that the existence and the terms of this Agreement and any oral or written information exchanged between the Parties in connection with the preparation and performance this Agreement are regarded as confidential information. Each Party shall maintain confidentiality of all such confidential information, and without obtaining the written consent of the other Party, it shall not disclose any relevant confidential information to any third parties, except for the information that: (a) is or will be in the public domain (other than through the receiving Party's unauthorized disclosure); (b) is under the obligation to be disclosed pursuant to the applicable laws or regulations, rules of any stock exchange, or orders of the court or other government authorities; or (c) is required to be disclosed by any Party to its shareholders, directors, employees, legal counsels or financial advisors regarding the transaction contemplated hereunder, provided that such shareholders, directors, employees, legal counsels or financial advisors shall be bound by the confidentiality obligations similar to those set forth in this Section. Disclosure of any confidential information by the shareholders, director, employees of or agencies engaged by any Party shall be deemed disclosure of such confidential information by such Party and such Party shall be held liable for breach of this Agreement.

7 Governing Law and Resolution of Disputes

7.1 The execution, effectiveness, construction, performance, amendment and termination of this Agreement and the resolution of disputes shall be governed by the laws of China.

7.2 In the event of any dispute with respect to the construction and performance of this Agreement, the Parties shall first resolve the dispute through friendly negotiations. In the event the Parties fail to reach an agreement on the dispute within 30 days after either Party's request to the other Party for resolution of the dispute through negotiations, either Party may submit the relevant dispute to the China International Economic and Trade Arbitration Commission for arbitration, in accordance with its then effective arbitration rules. The arbitration shall be conducted in Beijing. The arbitration award shall be final and binding on all Parties.

7.3 Upon the occurrence of any disputes arising from the construction and performance of this Agreement or during the pending arbitration of any dispute, except for the matters under dispute, the Parties to this Agreement shall continue to exercise their respective rights under this Agreement and perform their respective obligations under this Agreement.

8 Miscellaneous

8.1 This Agreement should become effective upon execution by the Parties, and shall expire upon the date of full performance by the Parties of their respective obligations under this Agreement. This Agreement shall terminate and replace the Prior Agreement in its entirety and in all aspects.

8.2 This Agreement shall be written in both Chinese and English language in two copies, each Party having one copy. The Chinese version and English version shall have equal legal validity.

8.3 This Agreement may be amended or supplemented through written agreement by and between Lender and Borrower. Such written amendment agreement and/or supplementary agreement executed by and between Lender and Borrower are an integral part of this Agreement, and shall have the same legal validity as this Agreement.

8.4 In the event that one or several of the provisions of this Agreement are found to be invalid, illegal or unenforceable in any aspect in accordance with any laws or regulations, the validity, legality or enforceability of the remaining provisions of this Agreement shall not be affected or compromised in any respect. The Parties shall strive in good faith to replace such invalid, illegal or unenforceable provisions with effective provisions that accomplish to the greatest extent permitted by law the intentions of the Parties, and the economic effect of such effective provisions shall be as close as possible to the economic effect of those invalid, illegal or unenforceable provisions.

8.5 The attachments (if any) to this Agreement shall be an integral part of this Agreement and shall have the same legal validity as this Agreement.

8.6 Any obligations that occur or that are due as a result of this Agreement upon the expiration or early termination of this Agreement shall survive the expiration or early termination thereof. The provisions of Sections 4, 6, 7 and this Section 8.6 shall survive the termination of this Agreement.

IN WITNESS WHEREOF, the Parties have caused their authorized representatives to execute this Agreement as of the date firs above written.

Lender: Chongqing Hengyuda Technology Co., Ltd.

By: /s/ Ning TANG (Company seal affixed)
Name: Ning TANG
Title: Legal Representative

Borrower: Fanshun KONG

By: /s/ Fanshun KONG

Amended and Restated Loan Agreement

This Amended and Restated Loan Agreement (this "Agreement") is made and entered into by and between the Parties below as of May 17, 2018 in Beijing, China:

(1) **Chongqing Hengyuda Technology Co., Ltd.**, a wholly foreign owned enterprise, organized and existing under the laws of the PRC, with its address at Room 3507, Floor 35, HNA-Poly International Center, No. 235, Minsheng Road, Yuzhong District, Chongqing;

(2) **Ning TANG** ("Borrower"), a citizen of China with Chinese Identification No.: .

Each of the Lender and the Borrower shall be hereinafter referred to as a "Party" respectively, and as the "Parties" collectively.

Whereas:

1. The Parties hereto entered into an Loan Agreement dated October 13, 2016 (the "Prior Agreement");

2. As of the date hereof, Borrower holds 40% of equity interests in Yiren Financial Information Services (Beijing) Co., Ltd. ("Borrower Company"). All of the equity interest now held and hereafter acquired by Borrower in Borrower Company shall be referred to as Borrower Equity Interest;

3. Lender confirms that it agrees to provide Borrower with and Borrower confirms that he/she has received a loan which equals to RMB 104,000,000 to be used for the purposes set forth under this Agreement.

4. Lender confirms that it has provided Borrower with and Borrower confirms that he/she has received a loan which equals to RMB 4,000,000 to be used for the purposes set forth under the Prior Agreement according to the Prior Agreement. Such loan is regarded as part of the loan provided by the Lender to the Borrower under this Agreement.

Now, therefore, the Parties have mutually agreed to execute this Agreement upon the following terms, which will terminate and replace the Prior Agreement in its entirety and in all aspects

1 Loan

1.1 In accordance with the terms and conditions of this Agreement, Lender and Borrower hereby acknowledge that Borrower has obtained from Lender a loan in the amount of RMB 104,000,000 (the "Loan"). The term of the Loan shall be 10 years from the effective date of this Agreement, which may be extended upon mutual written consent of the Parties. During the term of the Loan or the extended term of the Loan, Borrower shall immediately repay the full amount of the Loan in the event any one or more of the following circumstances occur:

1.1.1 30 days elapse after Borrower receives a written notice from Lender requesting repayment of the Loan;

1.1.2 Borrower's death, lack or limitation of civil capacity;

1.1.3 Borrower ceases (for any reason) to be an employee of Lender, Borrower Company or their affiliates;

1.1.4 Borrower engages in criminal act or is involved in criminal activities;

1.1.5 According to the applicable laws of China, foreign investors are permitted to invest in the principle business that is currently conducted by Borrower Company in China with a controlling stake and/or in the form of wholly-foreign-owned enterprises, the relevant competent authorities of China begin to approve such investments, and Lender exercises the exclusive option under the Amended and Restated Exclusive Option Agreement (the "Exclusive Option Agreement") described in this Agreement.

1.2 The Loan provided by Lender under this Agreement shall inure to Borrower's benefit only and not to Borrower's successors or assigns.

1.3 Borrower agrees to accept the aforementioned Loan provided by Lender, and hereby agrees and warrants using the Loan to subscribe the registered capital of Borrower Company. Without Lender's prior written consent, Borrower shall not use the Loan for any purpose other than as set forth herein.

1.4 Lender and Borrower hereby agree and acknowledge that Borrower's method of repayment shall be at the sole discretion of Lender, and shall at Lender's option take the form of Borrower's transferring the Borrower Equity Interest in whole to Lender or Lender's designated persons (legal or natural persons) pursuant to the Lender's exercise of its right to acquire the Borrower Equity Interest under the Exclusive Option Agreement, and any proceeds from the transfer of the Borrower Equity Interest (to the extent permissible) shall be used by the Borrower to repay the Loan to Lender, in accordance with this Agreement and in the manner designated by Lender.

1.5 Lender and Borrower hereby agree and acknowledge that to the extent permitted by applicable laws, Lender shall have the right but not the obligation to purchase or designate other persons (legal or natural persons) to purchase Borrower Equity Interest in part or in whole at any time, at the price stipulated in the Exclusive Option Agreement.

1.6 Borrower also undertakes to execute an irrevocable Power of Attorney (the "Power of Attorney"), which authorizes Lender or a legal or natural person designated by Lender to exercise all of Borrower's rights as a shareholder of Borrower Company.

1.7 When Borrower transfers Borrower Equity Interest to Lender or Lender's designated person(s), in the event that the transfer price of such equity interest equals or is lower than the principal of the Loan under this Agreement, the Loan under this Agreement shall be deemed an interest-free loan. In the event that the transfer price of such equity interest exceeds the principal of the Loan under this Agreement, the excess over the principal shall be deemed the interest of the Loan under this Agreement payable by Borrower to Lender.

2 <u>Representations and Warranties</u>

2.1 Between the date of this Agreement and the date of termination of this Agreement, Lender hereby makes the following representations and warranties to Borrower:

2.1.1 Lender is a corporation duly organized and legally existing in accordance with the laws of China;

2.1.2 Lender has the legal capacity to execute and perform this Agreement. The execution and performance by Lender of this Agreement is consistent with Lender's scope of business and the provisions of Lender's corporate bylaws and other organizational documents, and Lender has obtained all necessary and proper approvals and authorizations for the execution and performance of this Agreement; and

2.1.3 This Agreement constitutes Lender's legal, valid and binding obligations enforceable in accordance with its terms.

2.2 Between the date of this Agreement and the date of termination of this Agreement, Borrower hereby makes the following representations and warranties:

2.2.1 Borrower has the legal capacity to execute and perform this Agreement. Borrower has obtained all necessary and proper approvals and authorizations for the execution and performance of this Agreement;

2.2.2 This Agreement constitutes Borrower's legal, valid and binding obligations enforceable in accordance with its terms; and

2.2.3 There are no disputes, litigations, arbitrations, administrative proceedings or any other legal proceedings relating to Borrower, nor are there any potential disputes, litigations, arbitrations, administrative proceedings or any other legal proceedings relating to Borrower.

3 Borrower's Covenants

3.1 As and when he becomes, and for so long as he remains a shareholder of Borrower Company, Borrower covenants irrevocably that during the term of this Agreement, Borrower shall cause Borrower Company:

3.1.1 to strictly abide by the provisions of the Exclusive Option Agreement and the Exclusive Business Cooperation Agreement ("Exclusive Business Cooperation Agreement") to which the Borrower Company is a party, and to refrain from any action/omission that may affect the effectiveness and enforceability of the Exclusive Option Agreement and Exclusive Business Cooperation Agreement.

3.1.2 at the request of Lender (or a party designated by Lender), to execute contracts/agreements on business cooperation with Lender (or a party designated by Lender), and to strictly abide by such contracts/agreements;

3.1.3 to provide Lender with all of the information on Borrower Company's business operations and financial condition at Lender's request;

3.1.4 to immediately notify Lender of the occurrence or possible occurrence of any litigation, arbitration or administrative proceedings relating to Borrower Company's assets, business or income;

3.1.5 at the request of Lender, to appoint any persons designated by Lender as directors of Borrower Company;

3.2 Borrower covenants that during the term of this Agreement, he shall:

3.2.1 endeavor to keep Borrower Company to engage in its principle businesses;

3.2.2 abide by the provisions of this Agreement, the Power of Attorney, the Amended and Restated Equity Interest Pledge Agreement ("Equity Interest Pledge Agreement") and the Exclusive Option Agreement to which the Borrower is a party, perform his obligations under this Agreement, the Power of Attorney, the Equity Interest Pledge Agreement and the Exclusive Option Agreement, and refrain from any action/omission that may affect the effectiveness and enforceability of this Agreement, the Power of Attorney, the Equity Interest Pledge Agreement and the Exclusive Option Agreement;

3.2.3 not sell, transfer, mortgage or dispose of in any other manner the legal or beneficial interest in Borrower Equity Interest, or allow the encumbrance thereon of any security interest or the encumbrance, except in accordance with the Equity Interest Pledge Agreement;

3.2.4 cause any shareholders' meeting and/or the board of directors of Borrower Company not to approve the sale, transfer, mortgage or disposition in any other manner of any legal or beneficial interest in Borrower Equity Interest, or allow the encumbrance thereon of any security interest, except to Lender or Lender's designated person;

3.2.5 cause any shareholders' meeting and/or the board of directors of the Borrower Company not to approve the merger or consolidation of Borrower Company with any person, or its acquisition of or investment in any person, without the prior written consent of Lender;

3.2.6 immediately notify Lender of the occurrence or possible occurrence of any litigation, arbitration or administrative proceedings relating to Borrower Equity Interest;

3.2.7 to the extent necessary to maintain his ownership of the Borrower Equity Interest, execute all necessary or appropriate documents, take all necessary or appropriate actions and file all necessary or appropriate complaints or raise necessary and appropriate defense against all claims;

3.2.8 without the prior written consent of Lender, refrain from any action /omission that may have a material impact on the assets, business and liabilities of Borrower Company;

3.2.9 appoint any designee of Lender as director of Borrower Company, at the request of Lender;

3.2.10 to the extent permitted by the laws of China, at the request of Lender at any time, promptly and unconditionally transfer all of Borrower Equity Interest to Lender or Lender's designated representative(s) at any time, and cause the other shareholders of Borrower Company to waive their right of first refusal with respect to the share transfer described in this Section;

3.2.11 to the extent permitted by the laws of China, at the request of Lender at any time, cause the other shareholders of Borrower Company to promptly and unconditionally transfer all of their equity interests to Lender or Lender's designated representative(s) at any time, and Borrower hereby waives his right of first refusal (if any) with respect to the share transfer described in this Section;

3.2.12 in the event that Lender purchases Borrower Equity Interest from Borrower in accordance with the provisions of the Exclusive Option Agreement, use such purchase price obtained thereby to repay the Loan to Lender; and

3.2.13 without the prior written consent of Lender, not to cause Borrower Company to supplement, change, or amend its articles of association in any manner, increase or decreases its registered capital or change its share capital structure in any manner.

4 Liability for Default

4.1 If Borrower conducts any material breach of any term of this Agreement, Lender shall have right to terminate this Agreement and require the Borrower to compensate all damages; this Section 4.1 shall not prejudice any other rights of Lender herein.

4.2 Borrower shall not terminate this Agreement in any event unless otherwise required by applicable laws.

4.3 In the event that Borrower fails to perform the repayment obligations set forth in this Agreement, Borrower shall pay overdue interest of 0.01% per day for the outstanding payment, until the day Borrower repays the full principal of the Loan, overdue interests and other payable amounts.

5 Notices

5.1 All notices and other communications required or permitted to be given pursuant to this Agreement shall be delivered personally or sent by registered mail, postage prepaid, by a commercial courier service or by facsimile transmission to the address of such Party set forth below. A confirmation copy of each notice shall also be sent by email. The dates on which notices shall be deemed to have been effectively given shall be determined as follows:

5.1.1 Notices given by personal delivery, by courier service or by registered mail, postage prepaid, shall be deemed effectively given on the date of delivery.

5.1.2 Notices given by facsimile transmission shall be deemed effectively given on the date of successful transmission (as evidenced by an automatically generated confirmation of transmission).

5.2 For the purpose of notices, the addresses of the Parties are as follows:

Lender: **Chongqing Hengyuda Technology Co., Ltd.**
Address: Room 3507, Floor 35, HNA-Poly International Center, No. 235, Minsheng Road, Yuzhong District, Chongqing
Attn: Lin MEI
Phone:
Email:

Borrower: **Ning TANG**
Address:
Phone:
Email:

5.3 Any Party may at any time change its address for notices by a notice delivered to the other Party in accordance with the terms hereof.

6 Confidentiality

The Parties acknowledge that the existence and the terms of this Agreement and any oral or written information exchanged between the Parties in connection with the preparation and performance this Agreement are regarded as confidential information. Each Party shall maintain confidentiality of all such confidential information, and without obtaining the written consent of the other Party, it shall not disclose any relevant confidential information to any third parties, except for the information that: (a) is or will be in the public domain (other than through the receiving Party's unauthorized disclosure); (b) is under the obligation to be disclosed pursuant to the applicable laws or regulations, rules of any stock exchange, or orders of the court or other government authorities; or (c) is required to be disclosed by any Party to its shareholders, directors, employees, legal counsels or financial advisors regarding the transaction contemplated hereunder, provided that such shareholders, directors, employees, legal counsels or financial advisors shall be bound by the confidentiality obligations similar to those set forth in this Section. Disclosure of any confidential information by the shareholders, director, employees of or agencies engaged by any Party shall be deemed disclosure of such confidential information by such Party and such Party shall be held liable for breach of this Agreement.

7 Governing Law and Resolution of Disputes

7.1 The execution, effectiveness, construction, performance, amendment and termination of this Agreement and the resolution of disputes shall be governed by the laws of China.

7.2 In the event of any dispute with respect to the construction and performance of this Agreement, the Parties shall first resolve the dispute through friendly negotiations. In the event the Parties fail to reach an agreement on the dispute within 30 days after either Party's request to the other Party for resolution of the dispute through negotiations, either Party may submit the relevant dispute to the China International Economic and Trade Arbitration Commission for arbitration, in accordance with its then effective arbitration rules. The arbitration shall be conducted in Beijing. The arbitration award shall be final and binding on all Parties.

7.3 Upon the occurrence of any disputes arising from the construction and performance of this Agreement or during the pending arbitration of any dispute, except for the matters under dispute, the Parties to this Agreement shall continue to exercise their respective rights under this Agreement and perform their respective obligations under this Agreement.

8 Miscellaneous

8.1 This Agreement should become effective upon execution by the Parties, and shall expire upon the date of full performance by the Parties of their respective obligations under this Agreement. This Agreement shall terminate and replace the Prior Agreement in its entirety and in all aspects.

8.2 This Agreement shall be written in both Chinese and English language in two copies, each Party having one copy. The Chinese version and English version shall have equal legal validity.

8.3 This Agreement may be amended or supplemented through written agreement by and between Lender and Borrower. Such written amendment agreement and/or supplementary agreement executed by and between Lender and Borrower are an integral part of this Agreement, and shall have the same legal validity as this Agreement.

8.4 In the event that one or several of the provisions of this Agreement are found to be invalid, illegal or unenforceable in any aspect in accordance with any laws or regulations, the validity, legality or enforceability of the remaining provisions of this Agreement shall not be affected or compromised in any respect. The Parties shall strive in good faith to replace such invalid, illegal or unenforceable provisions with effective provisions that accomplish to the greatest extent permitted by law the intentions of the Parties, and the economic effect of such effective provisions shall be as close as possible to the economic effect of those invalid, illegal or unenforceable provisions.

8.5 The attachments (if any) to this Agreement shall be an integral part of this Agreement and shall have the same legal validity as this Agreement.

8.6 Any obligations that occur or that are due as a result of this Agreement upon the expiration or early termination of this Agreement shall survive the expiration or early termination thereof. The provisions of Sections 4, 6, 7 and this Section 8.6 shall survive the termination of this Agreement.

IN WITNESS WHEREOF, the Parties have caused their authorized representatives to execute this Agreement as of the date firs above written.

Lender: Chongqing Hengyuda Technology Co., Ltd.

By: /s/ Ning TANG (Company seal affixed)
Name: Ning TANG
Title: Legal Representative

Borrower: Ning TANG

By: /s/ Ning TANG

Amended and Restated Loan Agreement

This Amended and Restated Loan Agreement (this "Agreement") is made and entered into by and between the Parties below as of May 17, 2018 in Beijing, China:

(1) **Chongqing Hengyuda Technology Co., Ltd.**, a wholly foreign owned enterprise, organized and existing under the laws of the PRC, with its address at Room 3507, Floor 35, HNA-Poly International Center, No. 235, Minsheng Road, Yuzhong District, Chongqing;

(2) **Yan TIAN** ("Borrower"), a citizen of China with Chinese Identification No.: .

Each of the Lender and the Borrower shall be hereinafter referred to as a "Party" respectively, and as the "Parties" collectively.

Whereas:

1. The Parties hereto entered into an Loan Agreement dated October 13, 2016 (the "Prior Agreement");

2. As of the date hereof, Borrower holds 30% of equity interests in Yiren Financial Information Services (Beijing) Co., Ltd. ("Borrower Company"). All of the equity interest now held and hereafter acquired by Borrower in Borrower Company shall be referred to as Borrower Equity Interest;

3. Lender confirms that it agrees to provide Borrower with and Borrower confirms that he/she has received a loan which equals to RMB 78,000,000 to be used for the purposes set forth under this Agreement.

4. Lender confirms that it has provided Borrower with and Borrower confirms that he/she has received a loan which equals to RMB 3,000,000 to be used for the purposes set forth under the Prior Agreement according to the Prior Agreement. Such loan is regarded as part of the loan provided by the Lender to the Borrower under this Agreement.

Now, therefore, the Parties have mutually agreed to execute this Agreement upon the following terms, which will terminate and replace the Prior Agreement in its entirety and in all aspects

1 Loan

1.1 In accordance with the terms and conditions of this Agreement, Lender and Borrower hereby acknowledge that Borrower has obtained from Lender a loan in the amount of RMB 78,000,000 (the "Loan"). The term of the Loan shall be 10 years from the effective date of this Agreement, which may be extended upon mutual written consent of the Parties. During the term of the Loan or the extended term of the Loan, Borrower shall immediately repay the full amount of the Loan in the event any one or more of the following circumstances occur:

1.1.1 30 days elapse after Borrower receives a written notice from Lender requesting repayment of the Loan;

1.1.2 Borrower's death, lack or limitation of civil capacity;

1.1.3 Borrower ceases (for any reason) to be an employee of Lender, Borrower Company or their affiliates;

1.1.4 Borrower engages in criminal act or is involved in criminal activities;

1.1.5 According to the applicable laws of China, foreign investors are permitted to invest in the principle business that is currently conducted by Borrower Company in China with a controlling stake and/or in the form of wholly-foreign-owned enterprises, the relevant competent authorities of China begin to approve such investments, and Lender exercises the exclusive option under the Amended and Restated Exclusive Option Agreement (the "Exclusive Option Agreement") described in this Agreement.

1.2 The Loan provided by Lender under this Agreement shall inure to Borrower's benefit only and not to Borrower's successors or assigns.

1.3 Borrower agrees to accept the aforementioned Loan provided by Lender, and hereby agrees and warrants using the Loan to subscribe the registered capital of Borrower Company. Without Lender's prior written consent, Borrower shall not use the Loan for any purpose other than as set forth herein.

1.4 Lender and Borrower hereby agree and acknowledge that Borrower's method of repayment shall be at the sole discretion of Lender, and shall at Lender's option take the form of Borrower's transferring the Borrower Equity Interest in whole to Lender or Lender's designated persons (legal or natural persons) pursuant to the Lender's exercise of its right to acquire the Borrower Equity Interest under the Exclusive Option Agreement, and any proceeds from the transfer of the Borrower Equity Interest (to the extent permissible) shall be used by the Borrower to repay the Loan to Lender, in accordance with this Agreement and in the manner designated by Lender.

1.5 Lender and Borrower hereby agree and acknowledge that to the extent permitted by applicable laws, Lender shall have the right but not the obligation to purchase or designate other persons (legal or natural persons) to purchase Borrower Equity Interest in part or in whole at any time, at the price stipulated in the Exclusive Option Agreement.

1.6 Borrower also undertakes to execute an irrevocable Power of Attorney (the "Power of Attorney"), which authorizes Lender or a legal or natural person designated by Lender to exercise all of Borrower's rights as a shareholder of Borrower Company.

1.7 When Borrower transfers Borrower Equity Interest to Lender or Lender's designated person(s), in the event that the transfer price of such equity interest equals or is lower than the principal of the Loan under this Agreement, the Loan under this Agreement shall be deemed an interest-free loan. In the event that the transfer price of such equity interest exceeds the principal of the Loan under this Agreement, the excess over the principal shall be deemed the interest of the Loan under this Agreement payable by Borrower to Lender.

2 <u>Representations and Warranties</u>

2.1 Between the date of this Agreement and the date of termination of this Agreement, Lender hereby makes the following representations and warranties to Borrower:

2.1.1 Lender is a corporation duly organized and legally existing in accordance with the laws of China;

2.1.2 Lender has the legal capacity to execute and perform this Agreement. The execution and performance by Lender of this Agreement is consistent with Lender's scope of business and the provisions of Lender's corporate bylaws and other organizational documents, and Lender has obtained all necessary and proper approvals and authorizations for the execution and performance of this Agreement; and

2.1.3 This Agreement constitutes Lender's legal, valid and binding obligations enforceable in accordance with its terms.

2.2 Between the date of this Agreement and the date of termination of this Agreement, Borrower hereby makes the following representations and warranties:

2.2.1 Borrower has the legal capacity to execute and perform this Agreement. Borrower has obtained all necessary and proper approvals and authorizations for the execution and performance of this Agreement;

2.2.2 This Agreement constitutes Borrower's legal, valid and binding obligations enforceable in accordance with its terms; and

2.2.3 There are no disputes, litigations, arbitrations, administrative proceedings or any other legal proceedings relating to Borrower, nor are there any potential disputes, litigations, arbitrations, administrative proceedings or any other legal proceedings relating to Borrower.

3 Borrower's Covenants

3.1 As and when he becomes, and for so long as he remains a shareholder of Borrower Company, Borrower covenants irrevocably that during the term of this Agreement, Borrower shall cause Borrower Company:

3.1.1 to strictly abide by the provisions of the Exclusive Option Agreement and the Exclusive Business Cooperation Agreement ("Exclusive Business Cooperation Agreement") to which the Borrower Company is a party, and to refrain from any action/omission that may affect the effectiveness and enforceability of the Exclusive Option Agreement and Exclusive Business Cooperation Agreement.

3.1.2 at the request of Lender (or a party designated by Lender), to execute contracts/agreements on business cooperation with Lender (or a party designated by Lender), and to strictly abide by such contracts/agreements;

3.1.3 to provide Lender with all of the information on Borrower Company's business operations and financial condition at Lender's request;

3.1.4 to immediately notify Lender of the occurrence or possible occurrence of any litigation, arbitration or administrative proceedings relating to Borrower Company's assets, business or income;

3.1.5 at the request of Lender, to appoint any persons designated by Lender as directors of Borrower Company;

3.2 Borrower covenants that during the term of this Agreement, he shall:

3.2.1 endeavor to keep Borrower Company to engage in its principle businesses;

3.2.2 abide by the provisions of this Agreement, the Power of Attorney, the Amended and Restated Equity Interest Pledge Agreement ("Equity Interest Pledge Agreement") and the Exclusive Option Agreement to which the Borrower is a party, perform his obligations under this Agreement, the Power of Attorney, the Equity Interest Pledge Agreement and the Exclusive Option Agreement, and refrain from any action/omission that may affect the effectiveness and enforceability of this Agreement, the Power of Attorney, the Equity Interest Pledge Agreement and the Exclusive Option Agreement;

3.2.3 not sell, transfer, mortgage or dispose of in any other manner the legal or beneficial interest in Borrower Equity Interest, or allow the encumbrance thereon of any security interest or the encumbrance, except in accordance with the Equity Interest Pledge Agreement;

3.2.4 cause any shareholders' meeting and/or the board of directors of Borrower Company not to approve the sale, transfer, mortgage or disposition in any other manner of any legal or beneficial interest in Borrower Equity Interest, or allow the encumbrance thereon of any security interest, except to Lender or Lender's designated person;

3.2.5 cause any shareholders' meeting and/or the board of directors of the Borrower Company not to approve the merger or consolidation of Borrower Company with any person, or its acquisition of or investment in any person, without the prior written consent of Lender;

3.2.6 immediately notify Lender of the occurrence or possible occurrence of any litigation, arbitration or administrative proceedings relating to Borrower Equity Interest;

3.2.7 to the extent necessary to maintain his ownership of the Borrower Equity Interest, execute all necessary or appropriate documents, take all necessary or appropriate actions and file all necessary or appropriate complaints or raise necessary and appropriate defense against all claims;

3.2.8 without the prior written consent of Lender, refrain from any action /omission that may have a material impact on the assets, business and liabilities of Borrower Company;

3.2.9 appoint any designee of Lender as director of Borrower Company, at the request of Lender;

3.2.10 to the extent permitted by the laws of China, at the request of Lender at any time, promptly and unconditionally transfer all of Borrower Equity Interest to Lender or Lender's designated representative(s) at any time, and cause the other shareholders of Borrower Company to waive their right of first refusal with respect to the share transfer described in this Section;

3.2.11 to the extent permitted by the laws of China, at the request of Lender at any time, cause the other shareholders of Borrower Company to promptly and unconditionally transfer all of their equity interests to Lender or Lender's designated representative(s) at any time, and Borrower hereby waives his right of first refusal (if any) with respect to the share transfer described in this Section;

3.2.12 in the event that Lender purchases Borrower Equity Interest from Borrower in accordance with the provisions of the Exclusive Option Agreement, use such purchase price obtained thereby to repay the Loan to Lender; and

3.2.13 without the prior written consent of Lender, not to cause Borrower Company to supplement, change, or amend its articles of association in any manner, increase or decreases its registered capital or change its share capital structure in any manner.

4 Liability for Default

4.1 If Borrower conducts any material breach of any term of this Agreement, Lender shall have right to terminate this Agreement and require the Borrower to compensate all damages; this Section 4.1 shall not prejudice any other rights of Lender herein.

4.2 Borrower shall not terminate this Agreement in any event unless otherwise required by applicable laws.

4.3 In the event that Borrower fails to perform the repayment obligations set forth in this Agreement, Borrower shall pay overdue interest of 0.01% per day for the outstanding payment, until the day Borrower repays the full principal of the Loan, overdue interests and other payable amounts.

5 Notices

5.1 All notices and other communications required or permitted to be given pursuant to this Agreement shall be delivered personally or sent by registered mail, postage prepaid, by a commercial courier service or by facsimile transmission to the address of such Party set forth below. A confirmation copy of each notice shall also be sent by email. The dates on which notices shall be deemed to have been effectively given shall be determined as follows:

5.1.1 Notices given by personal delivery, by courier service or by registered mail, postage prepaid, shall be deemed effectively given on the date of delivery.

5.1.2 Notices given by facsimile transmission shall be deemed effectively given on the date of successful transmission (as evidenced by an automatically generated confirmation of transmission).

5.2 For the purpose of notices, the addresses of the Parties are as follows:

Lender: **Chongqing Hengyuda Technology Co., Ltd.**
Address: Room 3507, Floor 35, HNA-Poly International Center, No. 235, Minsheng Road, Yuzhong District, Chongqing
Attn: Lin MEI
Phone:
Email:

Borrower: **Yan TIAN**
Address:
Phone:
Email:

5.3 Any Party may at any time change its address for notices by a notice delivered to the other Party in accordance with the terms hereof.

6 Confidentiality

The Parties acknowledge that the existence and the terms of this Agreement and any oral or written information exchanged between the Parties in connection with the preparation and performance this Agreement are regarded as confidential information. Each Party shall maintain confidentiality of all such confidential information, and without obtaining the written consent of the other Party, it shall not disclose any relevant confidential information to any third parties, except for the information that: (a) is or will be in the public domain (other than through the receiving Party's unauthorized disclosure); (b) is under the obligation to be disclosed pursuant to the applicable laws or regulations, rules of any stock exchange, or orders of the court or other government authorities; or (c) is required to be disclosed by any Party to its shareholders, directors, employees, legal counsels or financial advisors regarding the transaction contemplated hereunder, provided that such shareholders, directors, employees, legal counsels or financial advisors shall be bound by the confidentiality obligations similar to those set forth in this Section. Disclosure of any confidential information by the shareholders, director, employees of or agencies engaged by any Party shall be deemed disclosure of such confidential information by such Party and such Party shall be held liable for breach of this Agreement.

7 Governing Law and Resolution of Disputes

7.1 The execution, effectiveness, construction, performance, amendment and termination of this Agreement and the resolution of disputes shall be governed by the laws of China.

7.2 In the event of any dispute with respect to the construction and performance of this Agreement, the Parties shall first resolve the dispute through friendly negotiations. In the event the Parties fail to reach an agreement on the dispute within 30 days after either Party's request to the other Party for resolution of the dispute through negotiations, either Party may submit the relevant dispute to the China International Economic and Trade Arbitration Commission for arbitration, in accordance with its then effective arbitration rules. The arbitration shall be conducted in Beijing. The arbitration award shall be final and binding on all Parties.

7.3 Upon the occurrence of any disputes arising from the construction and performance of this Agreement or during the pending arbitration of any dispute, except for the matters under dispute, the Parties to this Agreement shall continue to exercise their respective rights under this Agreement and perform their respective obligations under this Agreement.

8 Miscellaneous

8.1 This Agreement should become effective upon execution by the Parties, and shall expire upon the date of full performance by the Parties of their respective obligations under this Agreement. This Agreement shall terminate and replace the Prior Agreement in its entirety and in all aspects.

8.2 This Agreement shall be written in both Chinese and English language in two copies, each Party having one copy. The Chinese version and English version shall have equal legal validity.

8.3 This Agreement may be amended or supplemented through written agreement by and between Lender and Borrower. Such written amendment agreement and/or supplementary agreement executed by and between Lender and Borrower are an integral part of this Agreement, and shall have the same legal validity as this Agreement.

8.4 In the event that one or several of the provisions of this Agreement are found to be invalid, illegal or unenforceable in any aspect in accordance with any laws or regulations, the validity, legality or enforceability of the remaining provisions of this Agreement shall not be affected or compromised in any respect. The Parties shall strive in good faith to replace such invalid, illegal or unenforceable provisions with effective provisions that accomplish to the greatest extent permitted by law the intentions of the Parties, and the economic effect of such effective provisions shall be as close as possible to the economic effect of those invalid, illegal or unenforceable provisions.

8.5 The attachments (if any) to this Agreement shall be an integral part of this Agreement and shall have the same legal validity as this Agreement.

8.6 Any obligations that occur or that are due as a result of this Agreement upon the expiration or early termination of this Agreement shall survive the expiration or early termination thereof. The provisions of Sections 4, 6, 7 and this Section 8.6 shall survive the termination of this Agreement.

IN WITNESS WHEREOF, the Parties have caused their authorized representatives to execute this Agreement as of the date firs above written.

Lender: Chongqing Hengyuda Technology Co., Ltd.

By: /s/ Ning TANG (Company seal affixed)
Name: Ning TANG
Title: Legal Representative

Borrower: Yan TIAN

By: /s/ Yan TIAN

Exhibit 4.18

Amended and Restated Equity Interest Pledge Agreement

This Amended and Restated Equity Interest Pledge Agreement (this "Agreement") has been executed by and among the following parties on May 17, 2018 in Beijing, the People's Republic of China ("China" or the "PRC"):

Party A: Chongqing Hengyuda Technology Co., Ltd. (hereinafter "Pledgee"), a wholly foreign owned enterprise, organized and existing under the laws of the PRC, with its address at Room 3507, Floor 35, HNA-Poly International Center, No. 235, Minsheng Road, Yuzhong District, Chongqing;

Party B: Fanshun KONG (hereinafter "Pledgor"), a Chinese citizen with Chinese Identification No.: ; and

Party C: Yiren Financial Information Services (Beijing) Co., Ltd., a limited liability company organized and existing under the laws of the PRC, with its address at 350 meters north of Roundabout, Yanfu Road, Yancun Town, Fangshan District, Beijing.

In this Agreement, each of Pledgee, Pledgor and Party C shall be referred to as a "Party" respectively, and they shall be collectively referred to as the "Parties".

Whereas:

1. All the Parties hereto entered into an Amended and Restated Equity Interest Pledge Agreement dated April 27, 2018 (the "Prior Agreement");

2. Pledgor is a citizen of China who as of the date hereof holds 30% of equity interests of Party C, representing RMB78,000,000 in the registered capital of Party C. Party C is a limited liability company registered in Beijing, China. Party C acknowledges the respective rights and obligations of Pledgor and Pledgee under this Agreement, and intends to provide any necessary assistance in registering the Pledge;

3. Pledgee is a wholly foreign-owned enterprise registered in China. Pledgee and Party C which is partially owned by Pledgor have executed an Exclusive Business Cooperation Agreement (as defined below); Party C, Pledgee and Pledgor have executed an Exclusive Option Agreement (as defined below); Pledgee and Pledgor have executed a Loan Agreement (as defined below); Pledgor has executed a Power of Attorney (as defined below) in favor of Pledgee.

4. To ensure that Party C and Pledgor fully perform their obligations under the Exclusive Business Cooperation Agreement, the Exclusive Option Agreement, the Loan Agreement and the Power of Attorney, Pledgor hereby pledges to the Pledgee all of the equity interest that Pledgor holds in Party C as security for Party C's and Pledgor's obligations under the Exclusive Business Cooperation Agreement, the Exclusive Option Agreement, the Loan Agreement and the Power of Attorney.

To perform the provisions of the Transaction Documents (as defined below), the Parties have mutually agreed to execute this Agreement upon the following terms, which will terminate and replace the Prior Agreement in its entirety and in all aspects.

1. Definitions

Unless otherwise provided herein, the terms below shall have the following meanings:

1.1 Pledge: shall refer to the security interest granted by Pledgor to Pledgee pursuant to Section 2 of this Agreement, i.e., the right of Pledgee to be paid in priority with the Equity Interest based on the monetary valuation that such Equity Interest is converted into or from the proceeds from auction or sale of the Equity Interest.

1.2 Equity Interest: shall refer to 30% equity interests in Yiren Financial Information Services (Beijing) Co., Ltd. currently held by Pledgor, representing RMB78,000,000 in the registered capital of Yiren Financial Information Services (Beijing) Co., Ltd., and all of the equity interest hereafter acquired by Pledgor in Party C.

1.3 Term of Pledge: shall refer to the term set forth in Section 3 of this Agreement.

1.4 Transaction Documents: shall refer to the Exclusive Business Cooperation Agreement executed by and between Party C and Pledgee on October 13, 2016 (the "Exclusive Business Cooperation Agreement"), the Amended and Restated Loan Agreement executed by and between Pledgee and Pledgor on May 17, 2018 (the "Loan Agreement"), the Amended and Restated Exclusive Option Agreement executed by and among Party C, Pledgee and Pledgor on May 17, 2018 (the "Exclusive Option Agreement"), Power of Attorney executed on May 17, 2018 by Pledgor (the "Power of Attorney") and any modification, amendment and restatement to the aforementioned documents.

1.5 Contract Obligations: shall refer to all the obligations of Pledgor under the Exclusive Option Agreement, the Loan Agreement, the Power of Attorney and this Agreement; all the obligations of Party C under the Exclusive Business Cooperation Agreement, the Exclusive Option Agreement and this Agreement.

1.6 Secured Indebtedness: shall refer to all the direct, indirect and derivative losses and losses of anticipated profits, suffered by Pledgee, incurred as a result of any Event of Default. The amount of such loss shall be calculated in accordance with the reasonable business plan and profit forecast of Pledgee, the consulting and service fees payable to Pledgee under the Exclusive Business Cooperation Agreement, all expenses occurred in connection with enforcement by Pledgee of Pledgor's and/or Party C's Contract Obligations and etc.

1.7 Event of Default: shall refer to any of the circumstances set forth in Section 7 of this Agreement.

1.8 Notice of Default: shall refer to the notice issued by Pledgee in accordance with this Agreement declaring an Event of Default.

2. Pledge

2.1 Pledgor agrees to pledge all the Equity Interest as security for performance of the Contract Obligations and payment of the Secured Indebtedness under this Agreement. Party C hereby assents that Pledgor pledges the Equity Interest to the Pledgee pursuant to this Agreement.

2.2 During the term of the Pledge, Pledgee is entitled to receive dividends distributed on the Equity Interest. Pledgor may receive dividends distributed on the Equity Interest only with prior written consent of Pledgee. Dividends received by Pledgor on Equity Interest after deduction of individual income tax paid by Pledgor shall be, as required by Pledgee, (1) deposited into an account designated and supervised by Pledgee and used to secure the Contract Obligations and pay the Secured Indebtedness prior and in preference to make any other payment; or (2) unconditionally donated to Pledgee or any other person designated by Pledgee to the extent permitted under applicable PRC laws.

2.3 Pledgor may subscribe for capital increase in Party C only with prior written consent of Pledgee. Any equity interest obtained by Pledgor as a result of Pledgor's subscription of the increased registered capital of the Company shall also be deemed as Equity Interest.

2.4 In the event that Party C is required by PRC law to be liquidated or dissolved, any interest distributed to Pledgor upon Party C's dissolution or liquidation shall, upon the request of the Pledgee, be (1) deposited into an account designate and supervised by Pledgee and used to secure the Contract Obligations and pay the Secured Indebtedness prior and in preference to make any other payment; or (2) unconditionally donated to Pledgee or any other person designated by Pledgee to the extent permitted under applicable PRC laws.

3. Term of Pledge

3.1 The Pledge shall become effective on such date when the pledge of the Equity Interest contemplated herein is registered with relevant administration for industry and commerce (the "AIC"). The Pledge shall remain effective until all Contract Obligations have been fully performed and all Secured Indebtedness have been fully paid. Pledgor and Party C shall (1) register the Pledge in the shareholders' register of Party C within 3 business days following the execution of this Agreement, and (2) submit an application to the AIC for the registration of the Pledge of the Equity Interest contemplated herein within 30 business days following the execution of this Agreement. The parties covenant that for the purpose of registration of the Pledge, the parties hereto and all other shareholders of Party C shall submit to the AIC this Agreement or an equity interest pledge contract in the form required by the AIC at the location of Party C which shall truly reflect the information of the Pledge hereunder (the "AIC Pledge Contract"). For matters not specified in the AIC Pledge Contract, the parties shall be bound by the provisions of this Agreement. Pledgor and Party C shall submit all necessary documents and complete all necessary procedures, as required by the PRC laws and regulations and the relevant AIC, to ensure that the Pledge of the Equity Interest shall be registered with the AIC as soon as possible after submission for filing.

3.2 During the Term of Pledge, in the event Pledgor and/or Party C fails to perform the Contract Obligations or pay Secured Indebtedness, Pledgee shall have the right, but not the obligation, to exercise the Pledge in accordance with the provisions of this Agreement.

4. Custody of Records for Equity Interest subject to Pledge

4.1 During the Term of Pledge set forth in this Agreement, Pledgor shall deliver to Pledgee's custody the capital contribution certificate for the Equity Interest and the shareholders' register containing the Pledge within one week from the execution of this Agreement. Pledgee shall have custody of such documents during the entire Term of Pledge set forth in this Agreement.

5. **Representations and Warranties of Pledgor and Party C**

As of the execution date of this Agreement, Pledgor and Party C hereby jointly and severally represent and warrant to Pledgee that:

5.1 Pledgor is the sole legal and beneficial owner of the Equity Interest.

5.2 Pledgee shall have the right to dispose of and transfer the Equity Interest in accordance with the provisions set forth in this Agreement.

5.3 Except for the Pledge, Pledgor has not placed any security interest or other encumbrance on the Equity Interest.

5.4 Pledgor and Party C have obtained any and all approvals and consents from applicable government authorities and third parties (if required) for execution, delivery and performance of this Agreement.

5.5 The execution, delivery and performance of this Agreement will not: (i) violate any relevant PRC laws; (ii) conflict with Party C's articles of association or other constitutional documents; (iii) result in any breach of or constitute any default under any contract or instrument to which it is a party or by which it is otherwise bound; (iv) result in any violation of any condition for the grant and/or maintenance of any permit or approval granted to any Party; or (v) cause any permit or approval granted to any Party to be suspended, cancelled or attached with additional conditions.

6. Covenants of Pledgor and Party C

6.1 During the term of this Agreement, Pledgor and Party C hereby jointly and severally covenant to the Pledgee:

6.1.1 Pledgor shall not transfer the Equity Interest, place or permit the existence of any security interest or other encumbrance on the Equity Interest or any portion thereof, without the prior written consent of Pledgee, except for the performance of the Transaction Documents;

6.1.2 Pledgor and Party C shall comply with the provisions of all laws and regulations applicable to the pledge of rights, and within five (5) days of receipt of any notice, order or recommendation issued or prepared by relevant competent authorities regarding the Pledge, shall present the aforementioned notice, order or recommendation to Pledgee, and shall comply with the aforementioned notice, order or recommendation or submit objections and representations with respect to the aforementioned matters upon Pledgee's reasonable request or upon consent of Pledgee;

6.1.3 Pledgor and Party C shall promptly notify Pledgee of any event or notice received by Pledgor that may have an impact on the Equity Interest or any portion thereof, as well as any event or notice received by Pledgor that may have an impact on any guarantees and other obligations of Pledgor arising out of this Agreement.

6.1.4 Party C shall complete the registration procedures for extension of the term of operation within three (3) months prior to the expiration of such term to maintain the validity of this Agreement.

6.2 Pledgor agrees that the rights acquired by Pledgee in accordance with this Agreement with respect to the Pledge shall not be interrupted or harmed by Pledgor or any heirs or representatives of Pledgor or any other persons through any legal proceedings.

6.3 To protect or perfect the security interest granted by this Agreement for the Contract Obligations and Secured Indebtedness, Pledgor hereby undertakes to execute in good faith and to cause other parties who have an interest in the Pledge to execute all certificates, agreements, deeds and/or covenants required by Pledgee. Pledgor also undertakes to perform and to cause other parties who have an interest in the Pledge to perform actions required by Pledgee, to facilitate the exercise by Pledgee of its rights and authority granted thereto by this Agreement, and to enter into all relevant documents regarding ownership of Equity Interest with Pledgee or designee(s) of Pledgee (natural persons/legal persons). Pledgor undertakes to provide Pledgee within a reasonable time with all notices, orders and decisions regarding the Pledge that are required by Pledgee.

6.4 Pledgor hereby undertakes to comply with and perform all guarantees, promises, agreements, representations and conditions under this Agreement. In the event of failure or partial performance of its guarantees, promises, agreements, representations and conditions, Pledgor shall indemnify Pledgee for all losses resulting therefrom.

7. Event of Breach

7.1 The following circumstances shall be deemed Event of Default:

7.1.1 Pledgor's any breach to any obligations under the Transaction Documents and/or this Agreement.

7.1.2 Party C's any breach to any obligations under the Transaction Documents and/or this Agreement.

7.2 Upon notice or discovery of the occurrence of any circumstances or event that may lead to the aforementioned circumstances described in Section 7.1, Pledgor and Party C shall immediately notify Pledgee in writing accordingly.

7.3 Unless an Event of Default set forth in this Section 7.1 has been successfully resolved to Pledgee's satisfaction within twenty (20) days after the Pledgee and /or Party C delivers a notice to the Pledgor requesting ratification of such Event of Default, Pledgee may issue a Notice of Default to Pledgor in writing at any time thereafter, demanding the Pledgor to immediately exercise the Pledge in accordance with the provisions of Section 8 of this Agreement.

8. Exercise of Pledge

8.1 Pledgee shall issue a written Notice of Default to Pledgor when it exercises the Pledge.

8.2 Subject to the provisions of Section 7.3, Pledgee may exercise the right to enforce the Pledge at any time after the issuance of the Notice of Default in accordance with Section 8.1. Once Pledgee elects to enforce the Pledge, Pledgor shall cease to be entitled to any rights or interests associated with the Equity Interest.

8.3 After Pledgee issues a Notice of Default to Pledgor in accordance with Section 8.1, Pledgee may exercise any remedy measure under applicable PRC laws, the Transaction Documents and this Agreement, including but not limited to being paid in priority with the Equity Interest based on the monetary valuation that such Equity Interest is converted into or from the proceeds from auction or sale of the Equity Interest. The Pledgee shall not be liable for any loss incurred by its duly exercise of such rights and powers.

8.4 The proceeds from exercise of the Pledge by Pledgee shall be used to pay for tax and expenses incurred as result of disposing the Equity Interest and to perform Contract Obligations and pay the Secured Indebtedness to the Pledgee prior and in preference to any other payment. After the payment of the aforementioned amounts, the remaining balance shall be returned to Pledgor or any other person who have rights to such balance under applicable laws or be deposited to the local notary public office where Pledgor resides, with all expense incurred being borne by Pledgor. To the extent permitted under applicable PRC laws, Pledgor shall unconditionally donate the aforementioned proceeds to Pledgee or any other person designated by Pledgee.

8.5 Pledgee may exercise any remedy measure available simultaneously or in any order. Pledgee may exercise the right to being paid in priority with the Equity Interest based on the monetary valuation that such Equity Interest is converted into or from the proceeds from auction or sale of the Equity Interest under this Agreement, without exercising any other remedy measure first.

8.6 Pledgee is entitled to designate an attorney or other representatives to exercise the Pledge on its behalf, and Pledgor or Party C shall not raise any objection to such exercise.

8.7 When Pledgee disposes of the Pledge in accordance with this Agreement, Pledgor and Party C shall provide necessary assistance to enable Pledgee to enforce the Pledge in accordance with this Agreement.

9. Breach of Agreement

9.1 If Pledgor or Party C conducts any material breach of any term of this Agreement, Pledgee shall have right to terminate this Agreement and/or require Pledgor or Party C to indemnify all damages; this Section 9 shall not prejudice any other rights of Pledgee herein;

9.2 Pledgor or Party C shall not have any right to terminate this Agreement in any event unless otherwise required by applicable laws.

10. Assignment

10.1 Without Pledgee's prior written consent, Pledgor and Party C shall not have the right to assign or delegate their rights and obligations under this Agreement.

10.2 This Agreement shall be binding on Pledgor and his/her successors and permitted assigns, and shall be valid with respect to Pledgee and each of his/her successors and assigns.

10.3 At any time, Pledgee may assign any and all of its rights and obligations under the Transaction Documents and this Agreement to its designee(s), in which case the assigns shall have the rights and obligations of Pledgee under the Transaction Documents and this Agreement, as if it were the original party to the Transaction Documents and this Agreement.

10.4 In the event of change of Pledgee due to assignment, Pledgor and/or Party C shall, at the request of Pledgee, execute a new pledge agreement with the new pledgee on the same terms and conditions as this Agreement, and register the same with the relevant AIC.

10.5 Pledgor and Party C shall strictly abide by the provisions of this Agreement and other contracts jointly or separately executed by the Parties hereto or any of them, including the Transaction Documents, perform the obligations hereunder and thereunder, and refrain from any action/omission that may affect the effectiveness and enforceability thereof. Any remaining rights of Pledgor with respect to the Equity Interest pledged hereunder shall not be exercised by Pledgor except in accordance with the written instructions of Pledgee.

11. Termination

11.1 Upon the fulfillment of all Contract Obligations and the full payment of all Secured Indebtedness by Pledgor and Party C, Pledgee shall release the Pledge under this Agreement upon Pledgor's request as soon as reasonably practicable and shall assist Pledgor to de-register the Pledge from the shareholders' register of Party C and with relevant PRC local administration for industry and commerce.

11.2 The provisions under Sections 9, 13, 14 and 11.2 herein of this Agreement shall survive the expiration or termination of this Agreement.

12. Handling Fees and Other Expenses

All fees and out of pocket expenses relating to this Agreement, including but not limited to legal costs, costs of production, stamp tax and any other taxes and fees, shall be borne by Party C.

13. Confidentiality

The Parties acknowledge that the existence and the terms of this Agreement and any oral or written information exchanged between the Parties in connection with the preparation and performance this Agreement are regarded as confidential information. Each Party shall maintain confidentiality of all such confidential information, and without obtaining the written consent of the other Party, it shall not disclose any relevant confidential information to any third parties, except for the information that: (a) is or will be in the public domain (other than through the receiving Party's unauthorized disclosure); (b) is under the obligation to be disclosed pursuant to the applicable laws or regulations, rules of any stock exchange, or orders of the court or other government authorities; or (c) is required to be disclosed by any Party to its shareholders, directors, employees, legal counsels or financial advisors regarding the transaction contemplated hereunder, provided that such shareholders, directors, employees, legal counsels or financial advisors shall be bound by the confidentiality obligations similar to those set forth in this Section. Disclosure of any confidential information by the shareholders, director, employees of or agencies engaged by any Party shall be deemed disclosure of such confidential information by such Party and such Party shall be held liable for breach of this Agreement.

14. Governing Law and Resolution of Disputes

14.1 The execution, effectiveness, construction, performance, amendment and termination of this Agreement and the resolution of disputes hereunder shall be governed by the laws of China.

14.2 In the event of any dispute with respect to the construction and performance of this Agreement, the Parties shall first resolve the dispute through friendly negotiations. In the event the Parties fail to reach an agreement on the dispute within 30 days after either Party's request to the other Parties for resolution of the dispute through negotiations, either Party may submit the relevant dispute to the China International Economic and Trade Arbitration Commission for arbitration, in accordance with its Arbitration Rules. The arbitration shall be conducted in Beijing. The arbitration award shall be final and binding on all Parties.

14.3 Upon the occurrence of any disputes arising from the construction and performance of this Agreement or during the pending arbitration of any dispute, except for the matters under dispute, the Parties to this Agreement shall continue to exercise their respective rights under this Agreement and perform their respective obligations under this Agreement.

15. Notices

15.1 All notices and other communications required or permitted to be given pursuant to this Agreement shall be delivered personally or sent by registered mail, postage prepaid, by a commercial courier service or by facsimile transmission to the address of such party set forth below. A confirmation copy of each notice shall also be sent by E-mail. The dates on which notices shall be deemed to have been effectively given shall be determined as follows:

15.2 Notices given by personal delivery, by courier service or by registered mail, postage prepaid, shall be deemed effectively given on the date of delivery or refusal at the address specified for notices.

15.3 Notices given by facsimile transmission shall be deemed effectively given on the date of successful transmission (as evidenced by an automatically generated confirmation of transmission).

15.4 For the purpose of notices, the addresses of the Parties are as follows:

Party A:	Chongqing Hengyuda Technology Co., Ltd.
Address:	Room 3507, Floor 35, HNA-Poly International Center, No.235, Minsheng Road, Yuzhong District, Chongqing
Attn:	Lin MEI
Phone:	
Email:	
Party B:	Fanshun KONG
Address:	
Attn:	Fanshun KONG
Phone:	
Email:	
Party C:	Yiren Financial Information Services (Beijing) Co., Ltd.
Address:	350 metres north of Roundabout, Yanfu Road, Yancun Town, Fangshan District, Beijing
Attn:	Joanne LIU
Phone:	
Email:	

15.5 Any Party may at any time change its address for notices by a notice delivered to the other Parties in accordance with the terms hereof.

16. Severability

In the event that one or several of the provisions of this Contract are found to be invalid, illegal or unenforceable in any aspect in accordance with any laws or regulations, the validity, legality or enforceability of the remaining provisions of this Contract shall not be affected or compromised in any respect. The Parties shall strive in good faith to replace such invalid, illegal or unenforceable provisions with effective provisions that accomplish to the greatest extent permitted by law and the intentions of the Parties, and the economic effect of such effective provisions shall be as close as possible to the economic effect of those invalid, illegal or unenforceable provisions.

17. Attachments

The attachments set forth herein shall be an integral part of this Agreement.

18. Effectiveness

18.1 This Agreement shall become effective upon execution by the Parties. This Agreement shall terminate and replace the Prior Agreement in its entirety and in all aspects.

18.2 Any amendments, changes and supplements to this Agreement shall be in writing and shall become effective upon completion of the governmental filing procedures (if applicable) after the affixation of the signatures or seals of the Parties.

18.3 As of the effective date of this Agreement, the Prior Agreement shall terminate automatically.

19. Language and Counterparts

This Agreement is written in Chinese and English in four copies. Pledgor, Pledgee and Party C shall hold one copy respectively and the other copy shall be used for registration. The Chinese version and English version shall have equal legal validity.

The Remainder of this page is intentionally left blank

IN WITNESS WHEREOF, the Parties have caused their authorized representatives to execute this Agreement as of the date first above written.

Party A: **Chongqing Hengyuda Technology Co., Ltd.**

By: /s/ Ning TANG (Company seal affixed)
Name: Ning TANG
Title: Legal Representative

Party B: **Fanshun KONG**

By: /s/ Fanshun KONG

Party C: **Yiren Financial Information Services (Beijing) Co., Ltd.**

By: /s/ Ning TANG (Company seal affixed)
Name: Ning TANG
Title: Legal Representative

Attachments:

1. Shareholders' Register of Party C
2. The Capital Contribution Certificate for Party C
3. Exclusive Business Cooperation Agreement
4. Amended and Restated Loan Agreement
5. Amended and Restated Exclusive Option Agreement
6. Power of Attorney

Amended and Restated Equity Interest Pledge Agreement

This Amended and Restated Equity Interest Pledge Agreement (this "Agreement") has been executed by and among the following parties on May 17, 2018 in Beijing, the People's Republic of China ("China" or the "PRC"):

Party A: Chongqing Hengyuda Technology Co., Ltd. (hereinafter "Pledgee"), a wholly foreign owned enterprise, organized and existing under the laws of the PRC, with its address at Room 3507, Floor 35, HNA-Poly International Center, No. 235, Minsheng Road, Yuzhong District, Chongqing;

Party B: Ning TANG (hereinafter "Pledgor"), a Chinese citizen with Chinese Identification No.: ; and

Party C: Yiren Financial Information Services (Beijing) Co., Ltd., a limited liability company organized and existing under the laws of the PRC, with its address at 350 meters north of Roundabout, Yanfu Road, Yancun Town, Fangshan District, Beijing.

In this Agreement, each of Pledgee, Pledgor and Party C shall be referred to as a "Party" respectively, and they shall be collectively referred to as the "Parties".

Whereas:

1. All the Parties hereto entered into an Amended and Restated Equity Interest Pledge Agreement dated April 27, 2018 (the "Prior Agreement");

2. Pledgor is a citizen of China who as of the date hereof holds 40% of equity interests of Party C, representing RMB104,000,000 in the registered capital of Party C. Party C is a limited liability company registered in Beijing, China. Party C acknowledges the respective rights and obligations of Pledgor and Pledgee under this Agreement, and intends to provide any necessary assistance in registering the Pledge;

3. Pledgee is a wholly foreign-owned enterprise registered in China. Pledgee and Party C which is partially owned by Pledgor have executed an Exclusive Business Cooperation Agreement (as defined below); Party C, Pledgee and Pledgor have executed an Exclusive Option Agreement (as defined below); Pledgee and Pledgor have executed a Loan Agreement (as defined below); Pledgor has executed a Power of Attorney (as defined below) in favor of Pledgee.

4. To ensure that Party C and Pledgor fully perform their obligations under the Exclusive Business Cooperation Agreement, the Exclusive Option Agreement, the Loan Agreement, and the Power of Attorney, Pledgor hereby pledges to the Pledgee all of the equity interest that Pledgor holds in Party C as security for Party C's and Pledgor's obligations under the Exclusive Business Cooperation Agreement, the Exclusive Option Agreement, the Loan Agreement and the Power of Attorney.

To perform the provisions of the Transaction Documents (as defined below), the Parties have mutually agreed to execute this Agreement upon the following terms, which will terminate and replace the Prior Agreement in its entirety and in all aspects.

1. Definitions

Unless otherwise provided herein, the terms below shall have the following meanings:

1.1 Pledge: shall refer to the security interest granted by Pledgor to Pledgee pursuant to Section 2 of this Agreement, i.e., the right of Pledgee to be paid in priority with the Equity Interest based on the monetary valuation that such Equity Interest is converted into or from the proceeds from auction or sale of the Equity Interest.

1.2 Equity Interest: shall refer to 40% equity interests in Yiren Financial Information Services (Beijing) Co., Ltd. currently held by Pledgor, representing RMB104,000,000 in the registered capital of Yiren Financial Information Services (Beijing) Co., Ltd., and all of the equity interest hereafter acquired by Pledgor in Party C.

1.3 Term of Pledge: shall refer to the term set forth in Section 3 of this Agreement.

1.4 Transaction Documents: shall refer to the Exclusive Business Cooperation Agreement executed by and between Party C and Pledgee on October 13, 2016 (the "Exclusive Business Cooperation Agreement"), the Amended and Restated Loan Agreement executed by and between Pledgee and Pledgor on April 27, 2018 (the "Loan Agreement"), the Amended and Restated Exclusive Option Agreement executed by and among Party C, Pledgee and Pledgor on April 27, 2018 (the "Exclusive Option Agreement"), Power of Attorney executed on April 27, 2018 by Pledgor (the "Power of Attorney") and any modification, amendment and restatement to the aforementioned documents.

1.5 Contract Obligations: shall refer to all the obligations of Pledgor under the Exclusive Option Agreement, the Loan Agreement, the Power of Attorney and this Agreement; all the obligations of Party C under the Exclusive Business Cooperation Agreement, the Exclusive Option Agreement and this Agreement.

1.6 Secured Indebtedness: shall refer to all the direct, indirect and derivative losses and losses of anticipated profits, suffered by Pledgee, incurred as a result of any Event of Default. The amount of such loss shall be calculated in accordance with the reasonable business plan and profit forecast of Pledgee, the consulting and service fees payable to Pledgee under the Exclusive Business Cooperation Agreement, all expenses occurred in connection with enforcement by Pledgee of Pledgor's and/or Party C's Contract Obligations and etc.

1.7 Event of Default: shall refer to any of the circumstances set forth in Section 7 of this Agreement.

1.8 Notice of Default: shall refer to the notice issued by Pledgee in accordance with this Agreement declaring an Event of Default.

2. Pledge

2.1 Pledgor agrees to pledge all the Equity Interest as security for performance of the Contract Obligations and payment of the Secured Indebtedness under this Agreement. Party C hereby assents that Pledgor pledges the Equity Interest to the Pledgee pursuant to this Agreement.

2.2 During the term of the Pledge, Pledgee is entitled to receive dividends distributed on the Equity Interest. Pledgor may receive dividends distributed on the Equity Interest only with prior written consent of Pledgee. Dividends received by Pledgor on Equity Interest after deduction of individual income tax paid by Pledgor shall be, as required by Pledgee, (1) deposited into an account designated and supervised by Pledgee and used to secure the Contract Obligations and pay the Secured Indebtedness prior and in preference to make any other payment; or (2) unconditionally donated to Pledgee or any other person designated by Pledgee to the extent permitted under applicable PRC laws.

2.3 Pledgor may subscribe for capital increase in Party C only with prior written consent of Pledgee. Any equity interest obtained by Pledgor as a result of Pledgor's subscription of the increased registered capital of the Company shall also be deemed as Equity Interest.

2.4 In the event that Party C is required by PRC law to be liquidated or dissolved, any interest distributed to Pledgor upon Party C's dissolution or liquidation shall, upon the request of the Pledgee, be (1) deposited into an account designate and supervised by Pledgee and used to secure the Contract Obligations and pay the Secured Indebtedness prior and in preference to make any other payment; or (2) unconditionally donated to Pledgee or any other person designated by Pledgee to the extent permitted under applicable PRC laws.

3. Term of Pledge

3.1 The Pledge shall become effective on such date when the pledge of the Equity Interest contemplated herein is registered with relevant administration for industry and commerce (the "AIC"). The Pledge shall remain effective until all Contract Obligations have been fully performed and all Secured Indebtedness have been fully paid. Pledgor and Party C shall (1) register the Pledge in the shareholders' register of Party C within 3 business days following the execution of this Agreement, and (2) submit an application to the AIC for the registration of the Pledge of the Equity Interest contemplated herein within 30 business days following the execution of this Agreement. The parties covenant that for the purpose of registration of the Pledge, the parties hereto and all other shareholders of Party C shall submit to the AIC this Agreement or an equity interest pledge contract in the form required by the AIC at the location of Party C which shall truly reflect the information of the Pledge hereunder (the "AIC Pledge Contract"). For matters not specified in the AIC Pledge Contract, the parties shall be bound by the provisions of this Agreement. Pledgor and Party C shall submit all necessary documents and complete all necessary procedures, as required by the PRC laws and regulations and the relevant AIC, to ensure that the Pledge of the Equity Interest shall be registered with the AIC as soon as possible after submission for filing.

3.2 During the Term of Pledge, in the event Pledgor and/or Party C fails to perform the Contract Obligations or pay Secured Indebtedness, Pledgee shall have the right, but not the obligation, to exercise the Pledge in accordance with the provisions of this Agreement.

4. Custody of Records for Equity Interest subject to Pledge

4.1 During the Term of Pledge set forth in this Agreement, Pledgor shall deliver to Pledgee's custody the capital contribution certificate for the Equity Interest and the shareholders' register containing the Pledge within one week from the execution of this Agreement. Pledgee shall have custody of such documents during the entire Term of Pledge set forth in this Agreement.

5. **Representations and Warranties of Pledgor and Party C**

As of the execution date of this Agreement, Pledgor and Party C hereby jointly and severally represent and warrant to Pledgee that:

5.1 Pledgor is the sole legal and beneficial owner of the Equity Interest.

5.2 Pledgee shall have the right to dispose of and transfer the Equity Interest in accordance with the provisions set forth in this Agreement.

5.3 Except for the Pledge, Pledgor has not placed any security interest or other encumbrance on the Equity Interest.

5.4 Pledgor and Party C have obtained any and all approvals and consents from applicable government authorities and third parties (if required) for execution, delivery and performance of this Agreement.

5.5 The execution, delivery and performance of this Agreement will not: (i) violate any relevant PRC laws; (ii) conflict with Party C's articles of association or other constitutional documents; (iii) result in any breach of or constitute any default under any contract or instrument to which it is a party or by which it is otherwise bound; (iv) result in any violation of any condition for the grant and/or maintenance of any permit or approval granted to any Party; or (v) cause any permit or approval granted to any Party to be suspended, cancelled or attached with additional conditions.

6. Covenants of Pledgor and Party C

6.1 During the term of this Agreement, Pledgor and Party C hereby jointly and severally covenant to the Pledgee:

6.1.1 Pledgor shall not transfer the Equity Interest, place or permit the existence of any security interest or other encumbrance on the Equity Interest or any portion thereof, without the prior written consent of Pledgee, except for the performance of the Transaction Documents;

6.1.2 Pledgor and Party C shall comply with the provisions of all laws and regulations applicable to the pledge of rights, and within five (5) days of receipt of any notice, order or recommendation issued or prepared by relevant competent authorities regarding the Pledge, shall present the aforementioned notice, order or recommendation to Pledgee, and shall comply with the aforementioned notice, order or recommendation or submit objections and representations with respect to the aforementioned matters upon Pledgee's reasonable request or upon consent of Pledgee;

6.1.3 Pledgor and Party C shall promptly notify Pledgee of any event or notice received by Pledgor that may have an impact on the Equity Interest or any portion thereof, as well as any event or notice received by Pledgor that may have an impact on any guarantees and other obligations of Pledgor arising out of this Agreement.

6.1.4 Party C shall complete the registration procedures for extension of the term of operation within three (3) months prior to the expiration of such term to maintain the validity of this Agreement.

6.2 Pledgor agrees that the rights acquired by Pledgee in accordance with this Agreement with respect to the Pledge shall not be interrupted or harmed by Pledgor or any heirs or representatives of Pledgor or any other persons through any legal proceedings.

6.3 To protect or perfect the security interest granted by this Agreement for the Contract Obligations and Secured Indebtedness, Pledgor hereby undertakes to execute in good faith and to cause other parties who have an interest in the Pledge to execute all certificates, agreements, deeds and/or covenants required by Pledgee. Pledgor also undertakes to perform and to cause other parties who have an interest in the Pledge to perform actions required by Pledgee, to facilitate the exercise by Pledgee of its rights and authority granted thereto by this Agreement, and to enter into all relevant documents regarding ownership of Equity Interest with Pledgee or designee(s) of Pledgee (natural persons/legal persons). Pledgor undertakes to provide Pledgee within a reasonable time with all notices, orders and decisions regarding the Pledge that are required by Pledgee.

6.4 Pledgor hereby undertakes to comply with and perform all guarantees, promises, agreements, representations and conditions under this Agreement. In the event of failure or partial performance of its guarantees, promises, agreements, representations and conditions, Pledgor shall indemnify Pledgee for all losses resulting therefrom.

7. Event of Breach

7.1 The following circumstances shall be deemed Event of Default:

7.1.1 Pledgor's any breach to any obligations under the Transaction Documents and/or this Agreement.

7.1.2 Party C's any breach to any obligations under the Transaction Documents and/or this Agreement.

7.2 Upon notice or discovery of the occurrence of any circumstances or event that may lead to the aforementioned circumstances described in Section 7.1, Pledgor and Party C shall immediately notify Pledgee in writing accordingly.

7.3 Unless an Event of Default set forth in this Section 7.1 has been successfully resolved to Pledgee's satisfaction within twenty (20) days after the Pledgee and /or Party C delivers a notice to the Pledgor requesting ratification of such Event of Default, Pledgee may issue a Notice of Default to Pledgor in writing at any time thereafter, demanding the Pledgor to immediately exercise the Pledge in accordance with the provisions of Section 8 of this Agreement.

8. Exercise of Pledge

8.1 Pledgee shall issue a written Notice of Default to Pledgor when it exercises the Pledge.

8.2 Subject to the provisions of Section 7.3, Pledgee may exercise the right to enforce the Pledge at any time after the issuance of the Notice of Default in accordance with Section 8.1. Once Pledgee elects to enforce the Pledge, Pledgor shall cease to be entitled to any rights or interests associated with the Equity Interest.

8.3 After Pledgee issues a Notice of Default to Pledgor in accordance with Section 8.1, Pledgee may exercise any remedy measure under applicable PRC laws, the Transaction Documents and this Agreement, including but not limited to being paid in priority with the Equity Interest based on the monetary valuation that such Equity Interest is converted into or from the proceeds from auction or sale of the Equity Interest. The Pledgee shall not be liable for any loss incurred by its duly exercise of such rights and powers.

8.4 The proceeds from exercise of the Pledge by Pledgee shall be used to pay for tax and expenses incurred as result of disposing the Equity Interest and to perform Contract Obligations and pay the Secured Indebtedness to the Pledgee prior and in preference to any other payment. After the payment of the aforementioned amounts, the remaining balance shall be returned to Pledgor or any other person who have rights to such balance under applicable laws or be deposited to the local notary public office where Pledgor resides, with all expense incurred being borne by Pledgor. To the extent permitted under applicable PRC laws, Pledgor shall unconditionally donate the aforementioned proceeds to Pledgee or any other person designated by Pledgee.

8.5 Pledgee may exercise any remedy measure available simultaneously or in any order. Pledgee may exercise the right to being paid in priority with the Equity Interest based on the monetary valuation that such Equity Interest is converted into or from the proceeds from auction or sale of the Equity Interest under this Agreement, without exercising any other remedy measure first.

8.6 Pledgee is entitled to designate an attorney or other representatives to exercise the Pledge on its behalf, and Pledgor or Party C shall not raise any objection to such exercise.

8.7 When Pledgee disposes of the Pledge in accordance with this Agreement, Pledgor and Party C shall provide necessary assistance to enable Pledgee to enforce the Pledge in accordance with this Agreement.

9. Breach of Agreement

9.1 If Pledgor or Party C conducts any material breach of any term of this Agreement, Pledgee shall have right to terminate this Agreement and/or require Pledgor or Party C to indemnify all damages; this Section 9 shall not prejudice any other rights of Pledgee herein;

9.2 Pledgor or Party C shall not have any right to terminate this Agreement in any event unless otherwise required by applicable laws.

10. Assignment

10.1 Without Pledgee's prior written consent, Pledgor and Party C shall not have the right to assign or delegate their rights and obligations under this Agreement.

10.2 This Agreement shall be binding on Pledgor and his/her successors and permitted assigns, and shall be valid with respect to Pledgee and each of his/her successors and assigns.

10.3 At any time, Pledgee may assign any and all of its rights and obligations under the Transaction Documents and this Agreement to its designee(s), in which case the assigns shall have the rights and obligations of Pledgee under the Transaction Documents and this Agreement, as if it were the original party to the Transaction Documents and this Agreement.

10.4 In the event of change of Pledgee due to assignment, Pledgor and/or Party C shall, at the request of Pledgee, execute a new pledge agreement with the new pledgee on the same terms and conditions as this Agreement, and register the same with the relevant AIC.

10.5 Pledgor and Party C shall strictly abide by the provisions of this Agreement and other contracts jointly or separately executed by the Parties hereto or any of them, including the Transaction Documents, perform the obligations hereunder and thereunder, and refrain from any action/omission that may affect the effectiveness and enforceability thereof. Any remaining rights of Pledgor with respect to the Equity Interest pledged hereunder shall not be exercised by Pledgor except in accordance with the written instructions of Pledgee.

11. Termination

11.1 Upon the fulfillment of all Contract Obligations and the full payment of all Secured Indebtedness by Pledgor and Party C, Pledgee shall release the Pledge under this Agreement upon Pledgor's request as soon as reasonably practicable and shall assist Pledgor to de-register the Pledge from the shareholders' register of Party C and with relevant PRC local administration for industry and commerce.

11.2 The provisions under Sections 9, 13, 14 and 11.2 herein of this Agreement shall survive the expiration or termination of this Agreement.

12. Handling Fees and Other Expenses

All fees and out of pocket expenses relating to this Agreement, including but not limited to legal costs, costs of production, stamp tax and any other taxes and fees, shall be borne by Party C.

13. Confidentiality

The Parties acknowledge that the existence and the terms of this Agreement and any oral or written information exchanged between the Parties in connection with the preparation and performance this Agreement are regarded as confidential information. Each Party shall maintain confidentiality of all such confidential information, and without obtaining the written consent of the other Party, it shall not disclose any relevant confidential information to any third parties, except for the information that: (a) is or will be in the public domain (other than through the receiving Party's unauthorized disclosure); (b) is under the obligation to be disclosed pursuant to the applicable laws or regulations, rules of any stock exchange, or orders of the court or other government authorities; or (c) is required to be disclosed by any Party to its shareholders, directors, employees, legal counsels or financial advisors regarding the transaction contemplated hereunder, provided that such shareholders, directors, employees, legal counsels or financial advisors shall be bound by the confidentiality obligations similar to those set forth in this Section. Disclosure of any confidential information by the shareholders, director, employees of or agencies engaged by any Party shall be deemed disclosure of such confidential information by such Party and such Party shall be held liable for breach of this Agreement.

14. Governing Law and Resolution of Disputes

14.1 The execution, effectiveness, construction, performance, amendment and termination of this Agreement and the resolution of disputes hereunder shall be governed by the laws of China.

14.2 In the event of any dispute with respect to the construction and performance of this Agreement, the Parties shall first resolve the dispute through friendly negotiations. In the event the Parties fail to reach an agreement on the dispute within 30 days after either Party's request to the other Parties for resolution of the dispute through negotiations, either Party may submit the relevant dispute to the China International Economic and Trade Arbitration Commission for arbitration, in accordance with its Arbitration Rules. The arbitration shall be conducted in Beijing. The arbitration award shall be final and binding on all Parties.

14.3 Upon the occurrence of any disputes arising from the construction and performance of this Agreement or during the pending arbitration of any dispute, except for the matters under dispute, the Parties to this Agreement shall continue to exercise their respective rights under this Agreement and perform their respective obligations under this Agreement.

15. Notices

15.1 All notices and other communications required or permitted to be given pursuant to this Agreement shall be delivered personally or sent by registered mail, postage prepaid, by a commercial courier service or by facsimile transmission to the address of such party set forth below. A confirmation copy of each notice shall also be sent by E-mail. The dates on which notices shall be deemed to have been effectively given shall be determined as follows:

15.2 Notices given by personal delivery, by courier service or by registered mail, postage prepaid, shall be deemed effectively given on the date of delivery or refusal at the address specified for notices.

15.3 Notices given by facsimile transmission shall be deemed effectively given on the date of successful transmission (as evidenced by an automatically generated confirmation of transmission).

15.4 For the purpose of notices, the addresses of the Parties are as follows:

Party A: Chongqing Hengyuda Technology Co., Ltd.
Address: Room 3507, Floor 35, HNA-Poly International Center, No.235, Minsheng Road, Yuzhong District, Chongqing
Attn: Lin MEI
Phone:
Email:

Party B: Ning TANG
Address:
Attn: Ning Tang
Phone:
Email:

Party C: Yiren Financial Information Services (Beijing) Co., Ltd.
Address: 350 metres north of Roundabout, Yanfu Road, Yancun Town, Fangshan District, Beijing
Attn: Joanne LIU
Phone:
Email:

15.5 Any Party may at any time change its address for notices by a notice delivered to the other Parties in accordance with the terms hereof.

16. Severability

In the event that one or several of the provisions of this Contract are found to be invalid, illegal or unenforceable in any aspect in accordance with any laws or regulations, the validity, legality or enforceability of the remaining provisions of this Contract shall not be affected or compromised in any respect. The Parties shall strive in good faith to replace such invalid, illegal or unenforceable provisions with effective provisions that accomplish to the greatest extent permitted by law and the intentions of the Parties, and the economic effect of such effective provisions shall be as close as possible to the economic effect of those invalid, illegal or unenforceable provisions.

17. Attachments

The attachments set forth herein shall be an integral part of this Agreement.

18. Effectiveness

18.1 This Agreement shall become effective upon execution by the Parties. This Agreement shall terminate and replace the Prior Agreement in its entirety and in all aspects.

18.2 Any amendments, changes and supplements to this Agreement shall be in writing and shall become effective upon completion of the governmental filing procedures (if applicable) after the affixation of the signatures or seals of the Parties.

18.3 As of the effective date of this Agreement, the Prior Agreement shall terminate automatically.

19. Language and Counterparts

This Agreement is written in Chinese and English in four copies. Pledgor, Pledgee and Party C shall hold one copy respectively and the other copy shall be used for registration. The Chinese version and English version shall have equal legal validity.

The Remainder of this page is intentionally left blank

IN WITNESS WHEREOF, the Parties have caused their authorized representatives to execute this Agreement as of the date first above written.

Party A: **Chongqing Hengyuda Technology Co., Ltd.**

By: /s/ Ning TANG (Company seal affixed)
Name: Ning TANG
Title: Legal Representative

Party B: **Ning TANG**

By: /s/ Ning TANG

Party C: **Yiren Financial Information Services (Beijing) Co., Ltd.**

By: /s/ Ning TANG (Company seal affixed)
Name: Ning TANG
Title: Legal Representative

Attachments:

1. Shareholders' Register of Party C
2. The Capital Contribution Certificate for Party C
3. Exclusive Business Cooperation Agreement
4. Amended and Restated Loan Agreement
5. Amended and Restated Exclusive Option Agreement
6. Power of Attorney

Amended and Restated Equity Interest Pledge Agreement

This Amended and Restated Equity Interest Pledge Agreement (this "Agreement") has been executed by and among the following parties on May 17, 2018 in Beijing, the People's Republic of China ("China" or the "PRC"):

Party A: Chongqing Hengyuda Technology Co., Ltd. (hereinafter "Pledgee"), a wholly foreign owned enterprise, organized and existing under the laws of the PRC, with its address at Room 3507, Floor 35, HNA-Poly International Center, No. 235, Minsheng Road, Yuzhong District, Chongqing;

Party B: Yan TIAN (hereinafter "Pledgor"), a Chinese citizen with Chinese Identification No.: ; and

Party C: Yiren Financial Information Services (Beijing) Co., Ltd., a limited liability company organized and existing under the laws of the PRC, with its address at 350 meters north of Roundabout, Yanfu Road, Yancun Town, Fangshan District, Beijing.

In this Agreement, each of Pledgee, Pledgor and Party C shall be referred to as a "Party" respectively, and they shall be collectively referred to as the "Parties".

Whereas:

1. All the Parties hereto entered into an Amended and Restated Equity Interest Pledge Agreement dated April 27, 2018 (the "Prior Agreement");

2. Pledgor is a citizen of China who as of the date hereof holds 30% of equity interests of Party C, representing RMB78,000,000 in the registered capital of Party C. Party C is a limited liability company registered in Beijing, China. Party C acknowledges the respective rights and obligations of Pledgor and Pledgee under this Agreement, and intends to provide any necessary assistance in registering the Pledge;

3. Pledgee is a wholly foreign-owned enterprise registered in China. Pledgee and Party C which is partially owned by Pledgor have executed an Exclusive Business Cooperation Agreement (as defined below); Party C, Pledgee and Pledgor have executed an Exclusive Option Agreement (as defined below); Pledgee and Pledgor have executed a Loan Agreement (as defined below); Pledgor has executed a Power of Attorney (as defined below) in favor of Pledgee.

4. To ensure that Party C and Pledgor fully perform their obligations under the Exclusive Business Cooperation Agreement, the Exclusive Option Agreement, the Loan Agreement and the Power of Attorney, Pledgor hereby pledges to the Pledgee all of the equity interest that Pledgor holds in Party C as security for Party C's and Pledgor's obligations under the Exclusive Business Cooperation Agreement, the Exclusive Option Agreement, the Loan Agreement and the Power of Attorney.

To perform the provisions of the Transaction Documents (as defined below), the Parties have mutually agreed to execute this Agreement upon the following terms, which will terminate and replace the Prior Agreement in its entirety and in all aspects.

1. Definitions

Unless otherwise provided herein, the terms below shall have the following meanings:

1.1 Pledge: shall refer to the security interest granted by Pledgor to Pledgee pursuant to Section 2 of this Agreement, i.e., the right of Pledgee to be paid in priority with the Equity Interest based on the monetary valuation that such Equity Interest is converted into or from the proceeds from auction or sale of the Equity Interest.

1.2 Equity Interest: shall refer to 30% equity interests in Yiren Financial Information Services (Beijing) Co., Ltd. currently held by Pledgor, representing RMB78,000,000 in the registered capital of Yiren Financial Information Services (Beijing) Co., Ltd., and all of the equity interest hereafter acquired by Pledgor in Party C.

1.3 Term of Pledge: shall refer to the term set forth in Section 3 of this Agreement.

1.4 Transaction Documents: shall refer to the Exclusive Business Cooperation Agreement executed by and between Party C and Pledgee on October 13, 2016 (the "Exclusive Business Cooperation Agreement"), the Amended and Restated Loan Agreement executed by and between Pledgee and Pledgor on May 17, 2018 (the "Loan Agreement"), the Amended and Restated Exclusive Option Agreement executed by and among Party C, Pledgee and Pledgor on May 17, 2018 (the "Exclusive Option Agreement"), Power of Attorney executed on May 17, 2018 by Pledgor (the "Power of Attorney") and any modification, amendment and restatement to the aforementioned documents.

1.5 Contract Obligations: shall refer to all the obligations of Pledgor under the Exclusive Option Agreement, the Loan Agreement, the Power of Attorney and this Agreement; all the obligations of Party C under the Exclusive Business Cooperation Agreement, the Exclusive Option Agreement and this Agreement.

1.6 Secured Indebtedness: shall refer to all the direct, indirect and derivative losses and losses of anticipated profits, suffered by Pledgee, incurred as a result of any Event of Default. The amount of such loss shall be calculated in accordance with the reasonable business plan and profit forecast of Pledgee, the consulting and service fees payable to Pledgee under the Exclusive Business Cooperation Agreement, all expenses occurred in connection with enforcement by Pledgee of Pledgor's and/or Party C's Contract Obligations and etc.

1.7 Event of Default: shall refer to any of the circumstances set forth in Section 7 of this Agreement.

1.8 Notice of Default: shall refer to the notice issued by Pledgee in accordance with this Agreement declaring an Event of Default.

2. Pledge

2.1 Pledgor agrees to pledge all the Equity Interest as security for performance of the Contract Obligations and payment of the Secured Indebtedness under this Agreement. Party C hereby assents that Pledgor pledges the Equity Interest to the Pledgee pursuant to this Agreement.

2.2 During the term of the Pledge, Pledgee is entitled to receive dividends distributed on the Equity Interest. Pledgor may receive dividends distributed on the Equity Interest only with prior written consent of Pledgee. Dividends received by Pledgor on Equity Interest after deduction of individual income tax paid by Pledgor shall be, as required by Pledgee, (1) deposited into an account designated and supervised by Pledgee and used to secure the Contract Obligations and pay the Secured Indebtedness prior and in preference to make any other payment; or (2) unconditionally donated to Pledgee or any other person designated by Pledgee to the extent permitted under applicable PRC laws.

2.3 Pledgor may subscribe for capital increase in Party C only with prior written consent of Pledgee. Any equity interest obtained by Pledgor as a result of Pledgor's subscription of the increased registered capital of the Company shall also be deemed as Equity Interest.

2.4 In the event that Party C is required by PRC law to be liquidated or dissolved, any interest distributed to Pledgor upon Party C's dissolution or liquidation shall, upon the request of the Pledgee, be (1) deposited into an account designate and supervised by Pledgee and used to secure the Contract Obligations and pay the Secured Indebtedness prior and in preference to make any other payment; or (2) unconditionally donated to Pledgee or any other person designated by Pledgee to the extent permitted under applicable PRC laws.

3. Term of Pledge

3.1 The Pledge shall become effective on such date when the pledge of the Equity Interest contemplated herein is registered with relevant administration for industry and commerce (the "AIC"). The Pledge shall remain effective until all Contract Obligations have been fully performed and all Secured Indebtedness have been fully paid. Pledgor and Party C shall (1) register the Pledge in the shareholders' register of Party C within 3 business days following the execution of this Agreement, and (2) submit an application to the AIC for the registration of the Pledge of the Equity Interest contemplated herein within 30 business days following the execution of this Agreement. The parties covenant that for the purpose of registration of the Pledge, the parties hereto and all other shareholders of Party C shall submit to the AIC this Agreement or an equity interest pledge contract in the form required by the AIC at the location of Party C which shall truly reflect the information of the Pledge hereunder (the "AIC Pledge Contract"). For matters not specified in the AIC Pledge Contract, the parties shall be bound by the provisions of this Agreement. Pledgor and Party C shall submit all necessary documents and complete all necessary procedures, as required by the PRC laws and regulations and the relevant AIC, to ensure that the Pledge of the Equity Interest shall be registered with the AIC as soon as possible after submission for filing.

3.2 During the Term of Pledge, in the event Pledgor and/or Party C fails to perform the Contract Obligations or pay Secured Indebtedness, Pledgee shall have the right, but not the obligation, to exercise the Pledge in accordance with the provisions of this Agreement.

4. Custody of Records for Equity Interest subject to Pledge

4.1 During the Term of Pledge set forth in this Agreement, Pledgor shall deliver to Pledgee's custody the capital contribution certificate for the Equity Interest and the shareholders' register containing the Pledge within one week from the execution of this Agreement. Pledgee shall have custody of such documents during the entire Term of Pledge set forth in this Agreement.

5. **Representations and Warranties of Pledgor and Party C**

As of the execution date of this Agreement, Pledgor and Party C hereby jointly and severally represent and warrant to Pledgee that:

5.1 Pledgor is the sole legal and beneficial owner of the Equity Interest.

5.2 Pledgee shall have the right to dispose of and transfer the Equity Interest in accordance with the provisions set forth in this Agreement.

5.3 Except for the Pledge, Pledgor has not placed any security interest or other encumbrance on the Equity Interest.

5.4 Pledgor and Party C have obtained any and all approvals and consents from applicable government authorities and third parties (if required) for execution, delivery and performance of this Agreement.

5.5 The execution, delivery and performance of this Agreement will not: (i) violate any relevant PRC laws; (ii) conflict with Party C's articles of association or other constitutional documents; (iii) result in any breach of or constitute any default under any contract or instrument to which it is a party or by which it is otherwise bound; (iv) result in any violation of any condition for the grant and/or maintenance of any permit or approval granted to any Party; or (v) cause any permit or approval granted to any Party to be suspended, cancelled or attached with additional conditions.

6. Covenants of Pledgor and Party C

6.1 During the term of this Agreement, Pledgor and Party C hereby jointly and severally covenant to the Pledgee:

6.1.1 Pledgor shall not transfer the Equity Interest, place or permit the existence of any security interest or other encumbrance on the Equity Interest or any portion thereof, without the prior written consent of Pledgee, except for the performance of the Transaction Documents;

6.1.2 Pledgor and Party C shall comply with the provisions of all laws and regulations applicable to the pledge of rights, and within five (5) days of receipt of any notice, order or recommendation issued or prepared by relevant competent authorities regarding the Pledge, shall present the aforementioned notice, order or recommendation to Pledgee, and shall comply with the aforementioned notice, order or recommendation or submit objections and representations with respect to the aforementioned matters upon Pledgee's reasonable request or upon consent of Pledgee;

6.1.3 Pledgor and Party C shall promptly notify Pledgee of any event or notice received by Pledgor that may have an impact on the Equity Interest or any portion thereof, as well as any event or notice received by Pledgor that may have an impact on any guarantees and other obligations of Pledgor arising out of this Agreement.

6.1.4 Party C shall complete the registration procedures for extension of the term of operation within three (3) months prior to the expiration of such term to maintain the validity of this Agreement.

6.2 Pledgor agrees that the rights acquired by Pledgee in accordance with this Agreement with respect to the Pledge shall not be interrupted or harmed by Pledgor or any heirs or representatives of Pledgor or any other persons through any legal proceedings.

6.3 To protect or perfect the security interest granted by this Agreement for the Contract Obligations and Secured Indebtedness, Pledgor hereby undertakes to execute in good faith and to cause other parties who have an interest in the Pledge to execute all certificates, agreements, deeds and/or covenants required by Pledgee. Pledgor also undertakes to perform and to cause other parties who have an interest in the Pledge to perform actions required by Pledgee, to facilitate the exercise by Pledgee of its rights and authority granted thereto by this Agreement, and to enter into all relevant documents regarding ownership of Equity Interest with Pledgee or designee(s) of Pledgee (natural persons/legal persons). Pledgor undertakes to provide Pledgee within a reasonable time with all notices, orders and decisions regarding the Pledge that are required by Pledgee.

6.4 Pledgor hereby undertakes to comply with and perform all guarantees, promises, agreements, representations and conditions under this Agreement. In the event of failure or partial performance of its guarantees, promises, agreements, representations and conditions, Pledgor shall indemnify Pledgee for all losses resulting therefrom.

7. Event of Breach

7.1 The following circumstances shall be deemed Event of Default:

7.1.1 Pledgor's any breach to any obligations under the Transaction Documents and/or this Agreement.

7.1.2 Party C's any breach to any obligations under the Transaction Documents and/or this Agreement.

7.2 Upon notice or discovery of the occurrence of any circumstances or event that may lead to the aforementioned circumstances described in Section 7.1, Pledgor and Party C shall immediately notify Pledgee in writing accordingly.

7.3 Unless an Event of Default set forth in this Section 7.1 has been successfully resolved to Pledgee's satisfaction within twenty (20) days after the Pledgee and /or Party C delivers a notice to the Pledgor requesting ratification of such Event of Default, Pledgee may issue a Notice of Default to Pledgor in writing at any time thereafter, demanding the Pledgor to immediately exercise the Pledge in accordance with the provisions of Section 8 of this Agreement.

8. Exercise of Pledge

8.1 Pledgee shall issue a written Notice of Default to Pledgor when it exercises the Pledge.

8.2 Subject to the provisions of Section 7.3, Pledgee may exercise the right to enforce the Pledge at any time after the issuance of the Notice of Default in accordance with Section 8.1. Once Pledgee elects to enforce the Pledge, Pledgor shall cease to be entitled to any rights or interests associated with the Equity Interest.

8.3 After Pledgee issues a Notice of Default to Pledgor in accordance with Section 8.1, Pledgee may exercise any remedy measure under applicable PRC laws, the Transaction Documents and this Agreement, including but not limited to being paid in priority with the Equity Interest based on the monetary valuation that such Equity Interest is converted into or from the proceeds from auction or sale of the Equity Interest. The Pledgee shall not be liable for any loss incurred by its duly exercise of such rights and powers.

8.4 The proceeds from exercise of the Pledge by Pledgee shall be used to pay for tax and expenses incurred as result of disposing the Equity Interest and to perform Contract Obligations and pay the Secured Indebtedness to the Pledgee prior and in preference to any other payment. After the payment of the aforementioned amounts, the remaining balance shall be returned to Pledgor or any other person who have rights to such balance under applicable laws or be deposited to the local notary public office where Pledgor resides, with all expense incurred being borne by Pledgor. To the extent permitted under applicable PRC laws, Pledgor shall unconditionally donate the aforementioned proceeds to Pledgee or any other person designated by Pledgee.

8.5 Pledgee may exercise any remedy measure available simultaneously or in any order. Pledgee may exercise the right to being paid in priority with the Equity Interest based on the monetary valuation that such Equity Interest is converted into or from the proceeds from auction or sale of the Equity Interest under this Agreement, without exercising any other remedy measure first.

8.6 Pledgee is entitled to designate an attorney or other representatives to exercise the Pledge on its behalf, and Pledgor or Party C shall not raise any objection to such exercise.

8.7 When Pledgee disposes of the Pledge in accordance with this Agreement, Pledgor and Party C shall provide necessary assistance to enable Pledgee to enforce the Pledge in accordance with this Agreement.

9. Breach of Agreement

9.1 If Pledgor or Party C conducts any material breach of any term of this Agreement, Pledgee shall have right to terminate this Agreement and/or require Pledgor or Party C to indemnify all damages; this Section 9 shall not prejudice any other rights of Pledgee herein;

9.2 Pledgor or Party C shall not have any right to terminate this Agreement in any event unless otherwise required by applicable laws.

10. Assignment

10.1 Without Pledgee's prior written consent, Pledgor and Party C shall not have the right to assign or delegate their rights and obligations under this Agreement.

10.2 This Agreement shall be binding on Pledgor and his/her successors and permitted assigns, and shall be valid with respect to Pledgee and each of his/her successors and assigns.

10.3 At any time, Pledgee may assign any and all of its rights and obligations under the Transaction Documents and this Agreement to its designee(s), in which case the assigns shall have the rights and obligations of Pledgee under the Transaction Documents and this Agreement, as if it were the original party to the Transaction Documents and this Agreement.

10.4 In the event of change of Pledgee due to assignment, Pledgor and/or Party C shall, at the request of Pledgee, execute a new pledge agreement with the new pledgee on the same terms and conditions as this Agreement, and register the same with the relevant AIC.

10.5 Pledgor and Party C shall strictly abide by the provisions of this Agreement and other contracts jointly or separately executed by the Parties hereto or any of them, including the Transaction Documents, perform the obligations hereunder and thereunder, and refrain from any action/omission that may affect the effectiveness and enforceability thereof. Any remaining rights of Pledgor with respect to the Equity Interest pledged hereunder shall not be exercised by Pledgor except in accordance with the written instructions of Pledgee.

11. Termination

11.1 Upon the fulfillment of all Contract Obligations and the full payment of all Secured Indebtedness by Pledgor and Party C, Pledgee shall release the Pledge under this Agreement upon Pledgor's request as soon as reasonably practicable and shall assist Pledgor to de-register the Pledge from the shareholders' register of Party C and with relevant PRC local administration for industry and commerce.

11.2 The provisions under Sections 9, 13, 14 and 11.2 herein of this Agreement shall survive the expiration or termination of this Agreement.

12. Handling Fees and Other Expenses

All fees and out of pocket expenses relating to this Agreement, including but not limited to legal costs, costs of production, stamp tax and any other taxes and fees, shall be borne by Party C.

13. Confidentiality

The Parties acknowledge that the existence and the terms of this Agreement and any oral or written information exchanged between the Parties in connection with the preparation and performance this Agreement are regarded as confidential information. Each Party shall maintain confidentiality of all such confidential information, and without obtaining the written consent of the other Party, it shall not disclose any relevant confidential information to any third parties, except for the information that: (a) is or will be in the public domain (other than through the receiving Party's unauthorized disclosure); (b) is under the obligation to be disclosed pursuant to the applicable laws or regulations, rules of any stock exchange, or orders of the court or other government authorities; or (c) is required to be disclosed by any Party to its shareholders, directors, employees, legal counsels or financial advisors regarding the transaction contemplated hereunder, provided that such shareholders, directors, employees, legal counsels or financial advisors shall be bound by the confidentiality obligations similar to those set forth in this Section. Disclosure of any confidential information by the shareholders, director, employees of or agencies engaged by any Party shall be deemed disclosure of such confidential information by such Party and such Party shall be held liable for breach of this Agreement.

14. Governing Law and Resolution of Disputes

14.1 The execution, effectiveness, construction, performance, amendment and termination of this Agreement and the resolution of disputes hereunder shall be governed by the laws of China.

14.2 In the event of any dispute with respect to the construction and performance of this Agreement, the Parties shall first resolve the dispute through friendly negotiations. In the event the Parties fail to reach an agreement on the dispute within 30 days after either Party's request to the other Parties for resolution of the dispute through negotiations, either Party may submit the relevant dispute to the China International Economic and Trade Arbitration Commission for arbitration, in accordance with its Arbitration Rules. The arbitration shall be conducted in Beijing. The arbitration award shall be final and binding on all Parties.

14.3 Upon the occurrence of any disputes arising from the construction and performance of this Agreement or during the pending arbitration of any dispute, except for the matters under dispute, the Parties to this Agreement shall continue to exercise their respective rights under this Agreement and perform their respective obligations under this Agreement.

15. Notices

15.1 All notices and other communications required or permitted to be given pursuant to this Agreement shall be delivered personally or sent by registered mail, postage prepaid, by a commercial courier service or by facsimile transmission to the address of such party set forth below. A confirmation copy of each notice shall also be sent by E-mail. The dates on which notices shall be deemed to have been effectively given shall be determined as follows:

15.2 Notices given by personal delivery, by courier service or by registered mail, postage prepaid, shall be deemed effectively given on the date of delivery or refusal at the address specified for notices.

15.3 Notices given by facsimile transmission shall be deemed effectively given on the date of successful transmission (as evidenced by an automatically generated confirmation of transmission).

15.4 For the purpose of notices, the addresses of the Parties are as follows:

Party A:	Chongqing Hengyuda Technology Co., Ltd.
Address:	Room 3507, Floor 35, HNA-Poly International Center, No.235, Minsheng Road, Yuzhong District, Chongqing
Attn:	Lin MEI
Phone:	
Email:	

Party B:	Yan TIAN
Address:	
Attn:	Yan TIAN
Phone:	
Email:	

Party C:	Yiren Financial Information Services (Beijing) Co., Ltd.
Address:	350 metres north of Roundabout, Yanfu Road, Yancun Town, Fangshan District, Beijing
Attn:	Joanne LIU
Phone:	
Email:	

15.5 Any Party may at any time change its address for notices by a notice delivered to the other Parties in accordance with the terms hereof.

16. Severability

In the event that one or several of the provisions of this Contract are found to be invalid, illegal or unenforceable in any aspect in accordance with any laws or regulations, the validity, legality or enforceability of the remaining provisions of this Contract shall not be affected or compromised in any respect. The Parties shall strive in good faith to replace such invalid, illegal or unenforceable provisions with effective provisions that accomplish to the greatest extent permitted by law and the intentions of the Parties, and the economic effect of such effective provisions shall be as close as possible to the economic effect of those invalid, illegal or unenforceable provisions.

17. Attachments

The attachments set forth herein shall be an integral part of this Agreement.

18. Effectiveness

18.1 This Agreement shall become effective upon execution by the Parties. This Agreement shall terminate and replace the Prior Agreement in its entirety and in all aspects.

18.2 Any amendments, changes and supplements to this Agreement shall be in writing and shall become effective upon completion of the governmental filing procedures (if applicable) after the affixation of the signatures or seals of the Parties.

18.3 As of the effective date of this Agreement, the Prior Agreement shall terminate automatically.

19. Language and Counterparts

This Agreement is written in Chinese and English in four copies. Pledgor, Pledgee and Party C shall hold one copy respectively and the other copy shall be used for registration. The Chinese version and English version shall have equal legal validity.

The Remainder of this page is intentionally left blank

IN WITNESS WHEREOF, the Parties have caused their authorized representatives to execute this Agreement as of the date first above written.

Party A: **Chongqing Hengyuda Technology Co., Ltd.**

By: /s/ Ning TANG (Company seal affixed)
Name: Ning TANG
Title: Legal Representative

Party B: **Yan TIAN**

By: /s/ Yan TIAN

Party C: **Yiren Financial Information Services (Beijing) Co., Ltd.**

By: /s/ Ning TANG (Company seal affixed)
Name: Ning TANG
Title: Legal Representative

Attachments:

1. Shareholders' Register of Party C
2. The Capital Contribution Certificate for Party C
3. Exclusive Business Cooperation Agreement
4. Amended and Restated Loan Agreement
5. Amended and Restated Exclusive Option Agreement
6. Power of Attorney

Exhibit 4.19

Power of Attorney

I, Fanshun KONG, a People's Republic of China ("China" or the "PRC") citizen with PRC Identification Card No.: , and a holder of 30% of the entire registered capital in Yiren Financial Information Services (Beijing) Co., Ltd. ("Yiren Wealth Management") as of the date when the Power of Attorney is executed, hereby irrevocably authorize Chongqing Hengyuda Technology Co., Ltd. ("WFOE") to exercise the following rights relating to all equity interests held by me now and in the future in Yiren Wealth Management ("My Shareholding") during the term of this Power of Attorney:

The WFOE is hereby authorized to act on my behalf as my exclusive agent and attorney with respect to all matters concerning My Shareholding, including but not limited to: 1) attending shareholders' meetings of Yiren Wealth Management; 2) exercising all the shareholder's rights and shareholder's voting rights that I am entitled to under the relevant PRC laws and Yiren Wealth Management's Articles of Association, including but not limited to the sale, transfer, pledge, or disposition of My Shareholding in part or in whole; and 3) designating and appointing on my behalf the legal representative, directors, supervisors, chief executive officer, and other senior management members of Yiren Wealth Management.

Without limiting the generality of the powers granted hereunder, the WFOE shall have the power and authority to, on my behalf, execute all the documents I shall sign as stipulated in the Amended and Restated Exclusive Option Agreement entered into by and among myself, the WFOE, and Yiren Wealth Management on May 17, 2018 and the Amended and Restated Equity Pledge Agreement entered into by and among me, the WFOE, and Yiren Wealth Management on May 17, 2018 (including any modifications, amendments, and restatements thereto, collectively referred to as the "Transaction Documents"), and perform the terms of the Transaction Documents.

All the actions associated with My Shareholding conducted by the WFOE shall be deemed as my own actions, and all the documents related to My Shareholding executed by the WFOE shall be deemed as executed by me. I hereby acknowledge and ratify those actions and/or documents by the WFOE.

The WFOE is entitled to re-authorize or assign its rights related to the aforesaid matters to any other person or entity at its own discretion and without giving prior notice to me or obtaining my consent. If required by PRC laws, the WFOE shall designate a PRC citizen to exercise the aforementioned rights.

During the period that I am a shareholder of Yiren Wealth Management, this Power of Attorney shall be irrevocable and continuously effective and valid from the date of execution of this Power of Attorney.

During the term of this Power of Attorney, I hereby waive all the rights associated with My Shareholding, which have been authorized to the WFOE through this Power of Attorney, and shall not exercise such rights by myself.

This Power of Attorney is written in Chinese and English. The Chinese version and English version shall have equal legal validity.

I entered into a Power of Attorney dated October 13, 2016 (the "Prior Power of Attorney"), which will be terminated and replaced in its entirety and in all aspects by this Power of Attorney.

Fanshun KONG

By: /s/ Fanshun KONG
Date: May 17, 2018

Accepted by:

Chongqing Hengyuda Technology Co., Ltd.

By: /s/ Ning TANG (Company seal affixed)
Name: Ning TANG
Title: Legal Representative

Acknowledged by:

Yiren Financial Information Services (Beijing) Co., Ltd.

By: /s/ Ning TANG (Company seal affixed)
Name: Ning TANG
Title: Legal Representative

Power of Attorney

I, Ning TANG, a People's Republic of China ("China" or the "PRC") citizen with PRC Identification Card No.: , and a holder of 40% of the entire registered capital in Yiren Financial Information Services (Beijing) Co., Ltd. ("Yiren Wealth Management") as of the date when the Power of Attorney is executed, hereby irrevocably authorize Chongqing Hengyuda Technology Co., Ltd. ("WFOE") to exercise the following rights relating to all equity interests held by me now and in the future in Yiren Wealth Management ("My Shareholding") during the term of this Power of Attorney:

The WFOE is hereby authorized to act on my behalf as my exclusive agent and attorney with respect to all matters concerning My Shareholding, including but not limited to: 1) attending shareholders' meetings of Yiren Wealth Management; 2) exercising all the shareholder's rights and shareholder's voting rights that I am entitled to under the relevant PRC laws and Yiren Wealth Management's Articles of Association, including but not limited to the sale, transfer, pledge, or disposition of My Shareholding in part or in whole; and 3) designating and appointing on my behalf the legal representative, directors, supervisors, chief executive officer, and other senior management members of Yiren Wealth Management.

Without limiting the generality of the powers granted hereunder, the WFOE shall have the power and authority to, on my behalf, execute all the documents I shall sign as stipulated in the Amended and Restated Exclusive Option Agreement entered into by and among myself, the WFOE, and Yiren Wealth Management on May 17, 2018 and the Amended and Restated Equity Pledge Agreement entered into by and among me, the WFOE, and Yiren Wealth Management on May 17, 2018 (including any modifications, amendments, and restatements thereto, collectively referred to as the "Transaction Documents"), and perform the terms of the Transaction Documents.

All the actions associated with My Shareholding conducted by the WFOE shall be deemed as my own actions, and all the documents related to My Shareholding executed by the WFOE shall be deemed as executed by me. I hereby acknowledge and ratify those actions and/or documents by the WFOE.

The WFOE is entitled to re-authorize or assign its rights related to the aforesaid matters to any other person or entity at its own discretion and without giving prior notice to me or obtaining my consent. If required by PRC laws, the WFOE shall designate a PRC citizen to exercise the aforementioned rights.

During the period that I am a shareholder of Yiren Wealth Management, this Power of Attorney shall be irrevocable and continuously effective and valid from the date of execution of this Power of Attorney.

During the term of this Power of Attorney, I hereby waive all the rights associated with My Shareholding, which have been authorized to the WFOE through this Power of Attorney, and shall not exercise such rights by myself.

This Power of Attorney is written in Chinese and English. The Chinese version and English version shall have equal legal validity.

I entered into a Power of Attorney dated October 13, 2016 (the "Prior Power of Attorney"), which will be terminated and replaced in its entirety and in all aspects by this Power of Attorney.

Ning TANG

By: /s/ Ning TANG
Date: May 17, 2018

Accepted by:

Chongqing Hengyuda Technology Co., Ltd.

By: /s/ Ning TANG (Company seal affixed)
Name: Ning TANG
Title: Legal Representative

Acknowledged by:

Yiren Financial Information Services (Beijing) Co., Ltd.

By: /s/ Ning TANG (Company seal affixed)
Name: Ning TANG
Title: Legal Representative

Power of Attorney

I, Yan TIAN, a People's Republic of China ("China" or the "PRC") citizen with PRC Identification Card No.: , and a holder of 30% of the entire registered capital in Yiren Financial Information Services (Beijing) Co., Ltd. ("Yiren Wealth Management") as of the date when the Power of Attorney is executed, hereby irrevocably authorize Chongqing Hengyuda Technology Co., Ltd. ("WFOE") to exercise the following rights relating to all equity interests held by me now and in the future in Yiren Wealth Management ("My Shareholding") during the term of this Power of Attorney:

The WFOE is hereby authorized to act on my behalf as my exclusive agent and attorney with respect to all matters concerning My Shareholding, including but not limited to: 1) attending shareholders' meetings of Yiren Wealth Management; 2) exercising all the shareholder's rights and shareholder's voting rights that I am entitled to under the relevant PRC laws and Yiren Wealth Management's Articles of Association, including but not limited to the sale, transfer, pledge, or disposition of My Shareholding in part or in whole; and 3) designating and appointing on my behalf the legal representative, directors, supervisors, chief executive officer, and other senior management members of Yiren Wealth Management.

Without limiting the generality of the powers granted hereunder, the WFOE shall have the power and authority to, on my behalf, execute all the documents I shall sign as stipulated in the Amended and Restated Exclusive Option Agreement entered into by and among myself, the WFOE, and Yiren Wealth Management on May 17, 2018 and the Amended and Restated Equity Pledge Agreement entered into by and among me, the WFOE, and Yiren Wealth Management on May 17, 2018 (including any modifications, amendments, and restatements thereto, collectively referred to as the "Transaction Documents"), and perform the terms of the Transaction Documents.

All the actions associated with My Shareholding conducted by the WFOE shall be deemed as my own actions, and all the documents related to My Shareholding executed by the WFOE shall be deemed as executed by me. I hereby acknowledge and ratify those actions and/or documents by the WFOE.

The WFOE is entitled to re-authorize or assign its rights related to the aforesaid matters to any other person or entity at its own discretion and without giving prior notice to me or obtaining my consent. If required by PRC laws, the WFOE shall designate a PRC citizen to exercise the aforementioned rights.

During the period that I am a shareholder of Yiren Wealth Management, this Power of Attorney shall be irrevocable and continuously effective and valid from the date of execution of this Power of Attorney.

During the term of this Power of Attorney, I hereby waive all the rights associated with My Shareholding, which have been authorized to the WFOE through this Power of Attorney, and shall not exercise such rights by myself.

This Power of Attorney is written in Chinese and English. The Chinese version and English version shall have equal legal validity.

I entered into a Power of Attorney dated October 13, 2016 (the "Prior Power of Attorney"), which will be terminated and replaced in its entirety and in all aspects by this Power of Attorney.

Yan TIAN

By: /s/ Yan TIAN
Date: May 17, 2018

Accepted by:

Chongqing Hengyuda Technology Co., Ltd.

By: /s/ Ning TANG (Company seal affixed)
Name: Ning TANG
Title: Legal Representative

Acknowledged by:

Yiren Financial Information Services (Beijing) Co., Ltd.

By: /s/ Ning TANG (Company seal affixed)
Name: Ning TANG
Title: Legal Representative

Exhibit 4.21

Amended and Restated Exclusive Option Agreement

This Amended and Restated Exclusive Option Agreement (this "Agreement") is executed by and among the following Parties as of May 17, 2018 in Beijing, the People's Republic of China ("China" or the "PRC"):

Party A: Chongqing Hengyuda Technology Co., Ltd., a wholly foreign owned enterprise, organized and existing under the laws of the PRC, with its address at Room 3507, Floor 35, HNA-Poly International Center, No. 235, Minsheng Road, Yuzhong District, Chongqing;

Party B: Fanshun KONG, a Chinese citizen with Chinese Identification No.: ; and

Party C: Yiren Financial Information Services (Beijing) Co., Ltd., a limited liability company organized and existing under the laws of the PRC, with its address at 350 meters north of Roundabout, Yanfu Road, Yancun Town, Fangshan District, Beijing.

In this Agreement, Party A, Party B, and Party C shall each be referred to as a "Party" respectively, and they shall be collectively referred to as the "Parties."

Whereas:

1. All the Parties hereto executed an Amended and Restated Exclusive Option Agreement on April 27, 2018 (the "Prior Agreement").

2. Party B is a shareholder of Party C and as of the date hereof holds 30% of the equity interests of Party C, representing RMB78,000,000 in the registered capital of Party C.

3. Party A and Party B executed an Amended and Restated Loan Agreement ("Loan Agreement") on May 17, 2018, pursuant to which Party A has provided to Party B a loan in the aggregate amount of RMB78,000,000 for the purpose as designated in the Loan Agreement.

After mutual discussions and negotiations, the Parties have now reached the following agreement, which will terminate and replace the Prior Agreement in its entirety and in all aspects.

1. Sale and Purchase of Equity Interest

1.1 Option Granted

Party B hereby irrevocably and unconditionally grants Party A a binding and exclusive right to purchase, or designate one or more persons (each, a "Designee") to purchase the equity interests in Party C then held by Party B at once or at multiple times at any time in part or in whole at Party A's sole and absolute discretion to the extent permitted by Chinese laws and at the price described in Section 1.3 herein (such right being the "Equity Interest Purchase Option"). Except for Party A and the Designee(s), no other person shall be entitled to the Equity Interest Purchase Option or other rights with respect to the equity interests of Party B. Party C hereby agrees to the grant by Party B of the Equity Interest Purchase Option to Party A. The term "person" as used herein shall refer to individuals, corporations, partnerships, partners, enterprises, trusts, or non-corporate organizations.

1.2 Steps for Exercise of the Equity Interest Purchase Option

Subject to the provisions of the laws and regulations of China, Party A may exercise the Equity Interest Purchase Option by issuing a written notice to Party B (the "Equity Interest Purchase Option Notice"), specifying: (a) Party A's or the Designee's decision to exercise the Equity Interest Purchase Option; (b) the portion of equity interests to be purchased by Party A or the Designee from Party B (the "Optioned Interests"); and (c) the date for purchasing the Optioned Interests or the date for transfer of the Optioned Interests.

1.3 Equity Interest Purchase Price

The total price for the purchase by Party A of all Optioned Interests held by Party B upon exercise of the Equity Interest Purchase Option by Party A shall equal to the amount of registered capital contributed by Party B in Party C for such Optioned Interests (or such price may be as set forth in the equity transfer agreement to be executed between Party A (or the Designee) and Party B separately, provided that such price does not violate PRC laws and regulations and is acceptable to Party A); if Party A exercises the Equity Interest Purchase Option to purchase part of the Optioned Interests held by Party B in Party C, then the purchase price shall be calculated on a pro rata basis. If at the time when Party A exercises the Equity Interest Purchase Option, the PRC laws impose mandatory requirements on the purchase price of such Optioned Interests, such that the minimum price permitted under PRC law is higher than the aforementioned price, then the purchase price shall be such minimum price permitted by PRC law (collectively, the "Equity Interest Purchase Price").

1.4 Transfer of Optioned Interests

For each exercise of the Equity Interest Purchase Option:

1.4.1 Party B shall cause Party C to promptly convene a shareholders' meeting, at which a resolution shall be adopted approving Party B's transfer of the Optioned Interests to Party A and/or the Designee(s);

1.4.2 Party B shall obtain written statements from the other shareholders of Party C giving consent to the transfer of the equity interest to Party A and/or the Designee(s) and waiving any right of first refusal related thereto;

1.4.3 Party B shall execute an equity interest transfer contract with respect to each transfer with Party A and/or each Designee (whichever is applicable), in accordance with the provisions of this Agreement and the Equity Interest Purchase Option Notice regarding the Optioned Interests;

1.4.4 The relevant Parties shall execute all other necessary contracts, agreements, or documents, obtain all necessary government licenses and permits, and take all necessary actions to transfer the valid ownership of the Optioned Interests to Party A and/or the Designee(s), unencumbered by any security interests, and cause Party A and/or the Designee(s) to become the registered owner(s) of the Optioned Interests. For the purpose of this Section and this Agreement, "security interests" shall include securities, mortgages, third party's rights or interests, any stock options, acquisition right, right of first refusal, right to offset, ownership retention, or other security arrangements, but shall be deemed to exclude any security interest created by this Agreement, Party B's Equity Interest Pledge Agreement, and Party B's Power of Attorney. "Party B's Equity Interest Pledge Agreement" as used in this Agreement shall refer to the Amended and Restated Interest Pledge Agreement executed by and among Party A, Party B and Party C on the date hereof and any modifications, amendments, and restatements thereto. "Party B's Power of Attorney" as used in this Agreement shall refer to the Power of Attorney executed by Party B on the date hereof granting Party A with a power of attorney and any modifications, amendments, and restatements thereto.

1.5 Payment

The Parties have agreed in the Loan Agreement that any proceeds obtained by Party B through the transfer of its equity interests in Party C shall be used for repayment of the loan provided by Party A (and any interest thereon) in accordance with the Loan Agreement. Accordingly, upon exercise of the Equity Interest Purchase Option, Party A may make the payment of the Equity Interest Purchase Price by way of offset of the outstanding debts owed by Party B to Party A (including without limitation the outstanding amount of the loan owed by Party B to Party A and any interest thereon under the Loan Agreement) (such debts, the "Offset Debts"), in which case Party A shall not be required to pay any additional purchase price to Party B, unless the Equity Interest Purchase Price set forth herein is required to be adjusted in accordance with the PRC laws. If the PRC laws impose mandatory requirements on the Equity Interest Purchase Price agreed under this Agreement, such that the minimum Equity Interest Purchase Price permitted under PRC laws exceeds the price already offset with the Offset Debts, the Party B shall promptly donate all of the amount exceeding the Offset Debts received by it to Party A or any other person designated by Party A in the manner permitted by the applicable PRC laws / Party B hereby waives its right to receive the amount of price that exceeds the amount offset with the Offset Debts.

2. Covenants

2.1 Covenants regarding Party C

Party B (as a shareholder of Party C) and Party C hereby covenant on the following:

2.1.1 Without the prior written consent of Party A, they shall not in any manner supplement, change, or amend the articles of association of Party C, increase or decrease its registered capital, or change its structure of registered capital in other manners;

2.1.2 They shall maintain Party C's corporate existence in accordance with good financial and business standards and practices, as well as obtain and maintain all necessary government licenses and permits by prudently and effectively operating its business and handling its affairs;

2.1.3 Without the prior written consent of Party A, they shall not at any time following the date hereof, sell, transfer, mortgage, or dispose of in any manner any material assets of Party C or legal or beneficial interest in the material business or revenues of Party C of more than RMB 500,000, or allow the encumbrance thereon of any security interests;

2.1.4 Without the prior written consent of Party A, they shall not incur, inherit, guarantee, or suffer the existence of any debt, except for payables incurred in the ordinary course of business other than through loans;

2.1.5 They shall always operate all of Party C's businesses within the normal business scope to maintain the asset value of Party C and refrain from any action/omission that may affect Party C's operating status and asset value;

2.1.6 Without the prior written consent of Party A, they shall not cause Party C to execute any major contract, except the contracts in the ordinary course of business (for the purpose of this subsection, a contract with a price exceeding RMB 500,000 shall be deemed a major contract);

2.1.7 Without the prior written consent of Party A, they shall not cause Party C to provide any person with a loan or credit;

2.1.8 They shall provide Party A with information on Party C's business operations and financial condition at Party A's request;

2.1.9 If requested by Party A, they shall procure and maintain insurance in respect of Party C's assets and business from an insurance carrier acceptable to Party A, at an amount and type of coverage typical for companies that operate similar businesses;

2.1.10 Without the prior written consent of Party A, they shall not cause or permit Party C to merge, consolidate with, acquire, or invest in any person;

2.1.11 They shall immediately notify Party A of the occurrence or possible occurrence of any litigation, arbitration, or administrative proceedings relating to Party C's assets, business, or revenue;

2.1.12 To maintain the ownership by Party C of all of its assets, they shall execute all necessary or appropriate documents, take all necessary or appropriate actions, file all necessary or appropriate complaints, and raise necessary or appropriate defenses against all claims;

2.1.13 Without the prior written consent of Party A, they shall ensure that Party C shall not in any manner distribute dividends to its shareholders, provided that upon Party A's written request, Party C shall immediately distribute all distributable profits to its shareholders;

2.1.14 At the request of Party A, they shall appoint any person designated by Party A as the director or executive director of Party C.

2.1.15 Without Party A's prior written consent, they shall not engage in any business in competition with Party A or its affiliates; and

2.1.16 Unless otherwise required by PRC law, Party C shall not be dissolved or liquated without prior written consent by Party A.

2.2 Covenants of Party B

Party B hereby covenants to the following:

2.2.1 Without the prior written consent of Party A, Party B shall not sell, transfer, mortgage, or dispose of in any other manner any legal or beneficial interest in the equity interests in Party C held by Party B, or allow the encumbrance thereon, except for the interest placed in accordance with Party B's Equity Interest Pledge Agreement and Party B's Power of Attorney;

2.2.2 Without the prior written consent of Party A, Party B shall cause the shareholders' meeting and/or the directors (or the executive director) of Party C not to approve any sale, transfer, mortgage, or disposition in any other manner of any legal or beneficial interest in the equity interests in Party C held by Party B, or allow the encumbrance thereon of any security interest, except for the interest placed in accordance with Party B's Equity Interest Pledge Agreement and Party B's Power of Attorney;

2.2.3 Without the prior written consent of Party A, Party B shall cause the shareholders' meeting or the directors (or the executive director) of Party C not to approve the merger or consolidation with any person, or the acquisition of or investment in any person;

2.2.4 Party B shall immediately notify Party A of the occurrence or possible occurrence of any litigation, arbitration, or administrative proceedings relating to the equity interests in Party C held by Party B;

2.2.5 Party B shall cause the shareholders' meeting or the directors (or the executive director) of Party C to vote their approval of the transfer of the Optioned Interests as set forth in this Agreement and to take any and all other actions that may be requested by Party A;

2.2.6 To the extent necessary to maintain Party B's ownership in Party C, Party B shall execute all necessary or appropriate documents, take all necessary or appropriate actions, file all necessary or appropriate complaints, and raise necessary or appropriate defenses against all claims;

2.2.7 Party B shall appoint any designee of Party A as the director or the executive director of Party C, at the request of Party A;

2.2.8 Party B hereby waives its right of first refusal in regards to the transfer of equity interest by any other shareholder of Party C to Party A (if any), and gives consent to the execution by each other shareholder of Party C with Party A and Party C the exclusive option agreement, the equity interest pledge agreement and the power of attorney similar to this Agreement, Party B's Equity Interest Pledge Agreement, and Party B's Power of Attorney, and accepts not to take any actions in conflict with such documents executed by the other shareholders;

2.2.9 Party B shall promptly donate any profits, interests, dividends, or proceeds of liquidation to Party A or any other person designated by Party A to the extent permitted under the applicable PRC laws; and

2.2.10 Party B shall strictly abide by the provisions of this Agreement and other contracts jointly or separately executed by and among Party B, Party C, and Party A, perform the obligations hereunder and thereunder, and refrain from any action/omission that may affect the effectiveness and enforceability thereof. To the extent that Party B has any remaining rights with respect to the equity interests subject to this Agreement hereunder or under Party B's Equity Interest Pledge Agreement or under Party B's Power of Attorney, Party B shall not exercise such rights except in accordance with the written instructions of Party A.

3. Representations and Warranties

Party B and Party C hereby represent and warrant to Party A, jointly and severally, as of the date of this Agreement and each date of transfer of the Optioned Interests, that:

3.1 They have the power, capacity, and authority to execute and deliver this Agreement and any equity interest transfer contracts to which they are parties concerning the Optioned Interests to be transferred thereunder (each, a "Transfer Contract"), and to perform their obligations under this Agreement and any Transfer Contracts. Party B and Party C agree to enter into Transfer Contracts consistent with the terms of this Agreement upon Party A's exercise of the Equity Interest Purchase Option. This Agreement and the Transfer Contracts to which they are parties constitute or will constitute their legal, valid, and binding obligations, and shall be enforceable against them in accordance with the provisions thereof;

3.2 Party B and Party C have obtained any and all approvals and consents from the relevant government authorities and third parties (if required) for the execution, delivery, and performance of this Agreement.

3.3 The execution and delivery of this Agreement or any Transfer Contracts and the obligations under this Agreement or any Transfer Contracts shall not: (i) cause any violations of any applicable PRC laws; (ii) be inconsistent with the articles of association, bylaws, or other organizational documents of Party C; (iii) cause the violation of any contracts or instruments to which they are a party or which are binding on them, or constitute any breach under any contracts or instruments to which they are a party or which are binding on them; (iv) cause any violation of any condition for the grant and/or continued effectiveness of any licenses or permits issued to either of them; or (v) cause the suspension or revocation of or imposition of additional conditions to any licenses or permits issued to either of them;

3.4 Party B has a good and merchantable title to the equity interests held by Party B in Party C. Except for Party B's Equity Interest Pledge Agreement and Party B's Power of Attorney, Party B has not placed any security interest on such equity interests;

3.5 Party C has a good and merchantable title to all of its assets, and has not placed any security interest on the aforementioned assets;

3.6 Party C does not have any outstanding debts, except for (i) debt incurred within its normal business scope; and (ii) debts disclosed to Party A for which Party A's written consent has been obtained.

3.7 Party C has complied with all laws and regulations of China applicable to asset acquisitions; and

3.8 There are no pending or threatened litigation, arbitration, or administrative proceedings relating to the equity interests in Party C, assets of Party C, or Party C.

4. Effective Date and Term

This Agreement shall become effective upon execution by the Parties, and remain in effect until all equity interests held by Party B in Party C have been transferred or assigned to Party A and/or any other person designated by Party A in accordance with this Agreement.

5. Governing Law and Dispute Resolution

5.1 Governing Law

The execution, effectiveness, construction, performance, amendment, and termination of this Agreement as well as any dispute resolution hereunder shall be governed by the laws of the PRC.

5.2 Methods of Dispute Resolution

In the event of any dispute arising with respect to the construction and performance of this Agreement, the Parties shall first attempt to resolve the dispute through friendly negotiations. In the event that the Parties fail to reach an agreement on the dispute within 30 days after either Party's request to the other Parties for dispute resolution through negotiations, either Party may submit the relevant dispute to the China International Economic and Trade Arbitration Commission for arbitration, in accordance with its arbitration rules. The arbitration shall be conducted in Beijing, and the arbitration award shall be final and binding to all Parties.

6. Taxes and Fees

Each Party shall pay any and all transfer and registration taxes, expenses, and fees incurred thereby or levied thereon in accordance with the laws of China in connection with the preparation and execution of this Agreement and the Transfer Contracts, as well as the consummation of the transactions contemplated under this Agreement and the Transfer Contracts.

7. Notices

7.1 All notices and other communications required or permitted to be given pursuant to this Agreement shall be delivered personally or sent by registered mail, prepaid postage, commercial courier services, or facsimile transmission to the address of such Party set forth below. A confirmation copy of each notice shall also be sent by email. The dates on which notices shall be deemed to have been effectively given shall be determined as follows:

7.1.1 Notices given by personal delivery, courier services, registered mail, or prepaid postage shall be deemed effectively given on the date of receipt or refusal at the address specified for such notices;

7.1.2 Notices given by facsimile transmission shall be deemed effectively given on the date of successful transmission (as evidenced by an automatically generated confirmation of the transmission).

7.2 For the purpose of notices, the addresses of the Parties are as follows:

Party A: Chongqing Hengyuda Technology Co., Ltd.
Address: Room 3507, Floor 35, HNA-Poly International Center, No.235, Minsheng Road, Yuzhong District, Chongqing
Attn: Lin MEI
Phone:
Email:

Party B: Fanshun KONG
Address:
Attn: Fanshun KONG
Phone:
Email:

Party C: Yiren Financial Information Services (Beijing) Co., Ltd.
Address: 350 metres north of Roundabout, Yanfu Road, Yancun Town, Fangshan District, Beijing
Attn: Joanne LIU
Phone:
Email:

7.3 Any Party may at any time change its address for notices by having a notice delivered to the other Parties in accordance with the terms hereof.

8. Confidentiality

The Parties acknowledge that the existence and the terms of this Agreement, and any oral or written information exchanged between the Parties in connection with the preparation and performance of this Agreement are regarded as confidential information. Each Party shall maintain the confidentiality of all such confidential information, and without obtaining the written consent of other Parties, it shall not disclose any relevant confidential information to any third parties, except for the information that: (a) is or will be featured in the public domain (other than through the receiving Party's unauthorized disclosure); (b) is under the obligation to be disclosed pursuant to the applicable laws or regulations, rules of any stock exchange, or orders of the court or other government authorities; or (c) is required to be disclosed by any Party to its shareholders, directors, employees, legal counsels, or financial advisors regarding the transaction contemplated hereunder, provided that such shareholders, directors, employees, legal counsels, or financial advisors shall be bound by the confidential obligations similar to those set forth in this Section. Disclosure of any confidential information by the shareholders, director, employees of, or agencies engaged by any Party shall be deemed disclosure of such confidential information by such Party and that Party shall be held liable for breach of this Agreement.

9. Further Warranties

The Parties agree to promptly execute the documents that are reasonably required for or are conducive to the implementation of the provisions and purposes of this Agreement and to take further actions that are reasonably required for or are conducive to the implementation of the provisions and purposes of this Agreement.

10. Breach of Agreement

10.1 If Party B or Party C conducts any material breach of any term of this Agreement, Party A shall have right to terminate this Agreement and/or require Party B or Party C to compensate all damages; this Section 10 shall not prejudice any other rights of Party A herein;

10.2 Party B or Party C shall not have any right to terminate this Agreement in any event unless otherwise required by the applicable laws.

11. Miscellaneous

11.1 Amendments, changes, and supplements

Any amendments, changes, and supplements to this Agreement shall require the execution of a written agreement by all of the Parties.

11.2 Entire agreement

Except for the amendments, supplements, or changes in writing executed after the execution of this Agreement, this Agreement shall constitute the entire agreement reached by and among the Parties hereto with respect to the subject matter hereof, and shall supersede all prior oral and written consultations, representations, and contracts reached with respect to the subject matter of this Agreement, including but not limited to the Prior Agreement.

11.3 Headings

The headings of this Agreement are for convenience only, and shall not be used to interpret, explain, or otherwise affect the meanings of the provisions of this Agreement.

11.4 Language

This Agreement is written in both Chinese and English, and contains three copies, with each Party having one copy. The Chinese version and English version shall have equal legal validity.

11.5 Severability

In the event that one or several of the provisions of this Agreement are found to be invalid, illegal, or unenforceable in any aspect in accordance with any laws or regulations, the validity, legality, or enforceability of the remaining provisions of this Agreement shall not be affected or compromised in any respect. The Parties shall strive in good faith to replace such invalid, illegal, or unenforceable provisions with effective provisions that accomplish to the greatest extent permitted by the relevant laws and the intentions of the Parties, and the economic effect of such effective provisions shall be as close as possible to the economic effect of those invalid, illegal, or unenforceable provisions.

11.6 Successors

This Agreement shall be binding on and shall inure to the interest of the respective successors of the Parties and the permitted assigns of such Parties.

11.7 Survival

11.7.1 Any obligations that occur or are due as a result of this Agreement upon the expiration or early termination of this Agreement shall survive the expiration or early termination thereof.

11.7.2 The provisions of Sections 5, 8, 10, and this Section 11.7 shall survive the termination of this Agreement.

11.8 Waivers

Any Party may waive the terms and conditions of this Agreement, provided that such a waiver must be provided in writing and shall require the signatures of the Parties. No waiver by any Party in certain circumstances with respect to a breach by other Parties shall operate as a waiver by such a Party with respect to any similar breach in other circumstances.

IN WITNESS WHEREOF, the authorized representatives of the Parties have executed this Agreement as of the date first above written.

Party A: Chongqing Hengyuda Technology Co., Ltd.

By: /s/ Ning TANG (Company seal affixed)
Name: Ning TANG
Title: Legal Representative

Party B: Fanshun KONG

By: /s/ Fanshun KONG

Party C: Yiren Financial Information Services (Beijing) Co., Ltd.

By: /s/ Ning TANG (Company seal affixed)
Name: Ning TANG
Title: Legal Representative

Amended and Restated Exclusive Option Agreement

This Amended and Restated Exclusive Option Agreement (this "Agreement") is executed by and among the following Parties as of May 17, 2018 in Beijing, the People's Republic of China ("China" or the "PRC"):

Party A: Chongqing Hengyuda Technology Co., Ltd., a wholly foreign owned enterprise, organized and existing under the laws of the PRC, with its address at Room 3507, Floor 35, HNA-Poly International Center, No. 235, Minsheng Road, Yuzhong District, Chongqing;

Party B: Ning TANG, a Chinese citizen with Chinese Identification No.: ; and

Party C: Yiren Financial Information Services (Beijing) Co., Ltd., a limited liability company organized and existing under the laws of the PRC, with its address at 350 meters north of Roundabout, Yanfu Road, Yancun Town, Fangshan District, Beijing.

In this Agreement, Party A, Party B, and Party C shall each be referred to as a "Party" respectively, and they shall be collectively referred to as the "Parties."

Whereas:

1. All the Parties hereto executed an Amended and Restated Exclusive Option Agreement on April 27, 2018 (the "Prior Agreement").

2. Party B is a shareholder of Party C and as of the date hereof holds 40% of the equity interests of Party C, representing RMB104,000,000 in the registered capital of Party C.

3. Party A and Party B executed an Amended and Restated Loan Agreement ("Loan Agreement") on May 17, 2018, pursuant to which Party A has provided to Party B a loan in the aggregate amount of RMB104,000,000 for the purpose as designated in the Loan Agreement.

After mutual discussions and negotiations, the Parties have now reached the following agreement, which will terminate and replace the Prior Agreement in its entirety and in all aspects.

1. Sale and Purchase of Equity Interest

1.1 Option Granted

Party B hereby irrevocably and unconditionally grants Party A a binding and exclusive right to purchase, or designate one or more persons (each, a "Designee") to purchase the equity interests in Party C then held by Party B at once or at multiple times at any time in part or in whole at Party A's sole and absolute discretion to the extent permitted by Chinese laws and at the price described in Section 1.3 herein (such right being the "Equity Interest Purchase Option"). Except for Party A and the Designee(s), no other person shall be entitled to the Equity Interest Purchase Option or other rights with respect to the equity interests of Party B. Party C hereby agrees to the grant by Party B of the Equity Interest Purchase Option to Party A. The term "person" as used herein shall refer to individuals, corporations, partnerships, partners, enterprises, trusts, or non-corporate organizations.

1.2 Steps for Exercise of the Equity Interest Purchase Option

Subject to the provisions of the laws and regulations of China, Party A may exercise the Equity Interest Purchase Option by issuing a written notice to Party B (the "Equity Interest Purchase Option Notice"), specifying: (a) Party A's or the Designee's decision to exercise the Equity Interest Purchase Option; (b) the portion of equity interests to be purchased by Party A or the Designee from Party B (the "Optioned Interests"); and (c) the date for purchasing the Optioned Interests or the date for transfer of the Optioned Interests.

1.3 Equity Interest Purchase Price

The total price for the purchase by Party A of all Optioned Interests held by Party B upon exercise of the Equity Interest Purchase Option by Party A shall equal to the amount of registered capital contributed by Party B in Party C for such Optioned Interests (or such price may be as set forth in the equity transfer agreement to be executed between Party A (or the Designee) and Party B separately, provided that such price does not violate PRC laws and regulations and is acceptable to Party A); if Party A exercises the Equity Interest Purchase Option to purchase part of the Optioned Interests held by Party B in Party C, then the purchase price shall be calculated on a pro rata basis. If at the time when Party A exercises the Equity Interest Purchase Option, the PRC laws impose mandatory requirements on the purchase price of such Optioned Interests, such that the minimum price permitted under PRC law is higher than the aforementioned price, then the purchase price shall be such minimum price permitted by PRC law (collectively, the "Equity Interest Purchase Price").

1.4 Transfer of Optioned Interests

For each exercise of the Equity Interest Purchase Option:

1.4.1 Party B shall cause Party C to promptly convene a shareholders' meeting, at which a resolution shall be adopted approving Party B's transfer of the Optioned Interests to Party A and/or the Designee(s);

1.4.2 Party B shall obtain written statements from the other shareholders of Party C giving consent to the transfer of the equity interest to Party A and/or the Designee(s) and waiving any right of first refusal related thereto;

1.4.3 Party B shall execute an equity interest transfer contract with respect to each transfer with Party A and/or each Designee (whichever is applicable), in accordance with the provisions of this Agreement and the Equity Interest Purchase Option Notice regarding the Optioned Interests;

1.4.4 The relevant Parties shall execute all other necessary contracts, agreements, or documents, obtain all necessary government licenses and permits, and take all necessary actions to transfer the valid ownership of the Optioned Interests to Party A and/or the Designee(s), unencumbered by any security interests, and cause Party A and/or the Designee(s) to become the registered owner(s) of the Optioned Interests. For the purpose of this Section and this Agreement, "security interests" shall include securities, mortgages, third party's rights or interests, any stock options, acquisition right, right of first refusal, right to offset, ownership retention, or other security arrangements, but shall be deemed to exclude any security interest created by this Agreement, Party B's Equity Interest Pledge Agreement, and Party B's Power of Attorney. "Party B's Equity Interest Pledge Agreement" as used in this Agreement shall refer to the Amended and Restated Interest Pledge Agreement executed by and among Party A, Party B and Party C on the date hereof and any modifications, amendments, and restatements thereto. "Party B's Power of Attorney" as used in this Agreement shall refer to the Power of Attorney executed by Party B on the date hereof granting Party A with a power of attorney and any modifications, amendments, and restatements thereto.

1.5 Payment

The Parties have agreed in the Loan Agreement that any proceeds obtained by Party B through the transfer of its equity interests in Party C shall be used for repayment of the loan provided by Party A (and any interest thereon) in accordance with the Loan Agreement. Accordingly, upon exercise of the Equity Interest Purchase Option, Party A may make the payment of the Equity Interest Purchase Price by way of offset of the outstanding debts owed by Party B to Party A (including without limitation the outstanding amount of the loan owed by Party B to Party A and any interest thereon under the Loan Agreement) (such debts, the "Offset Debts"), in which case Party A shall not be required to pay any additional purchase price to Party B, unless the Equity Interest Purchase Price set forth herein is required to be adjusted in accordance with the PRC laws. If the PRC laws impose mandatory requirements on the Equity Interest Purchase Price agreed under this Agreement, such that the minimum Equity Interest Purchase Price permitted under PRC laws exceeds the price already offset with the Offset Debts, the Party B shall promptly donate all of the amount exceeding the Offset Debts received by it to Party A or any other person designated by Party A in the manner permitted by the applicable PRC laws / Party B hereby waives its right to receive the amount of price that exceeds the amount offset with the Offset Debts.

2. Covenants

2.1 Covenants regarding Party C

Party B (as a shareholder of Party C) and Party C hereby covenant on the following:

2.1.1 Without the prior written consent of Party A, they shall not in any manner supplement, change, or amend the articles of association of Party C, increase or decrease its registered capital, or change its structure of registered capital in other manners;

2.1.2 They shall maintain Party C's corporate existence in accordance with good financial and business standards and practices, as well as obtain and maintain all necessary government licenses and permits by prudently and effectively operating its business and handling its affairs;

2.1.3 Without the prior written consent of Party A, they shall not at any time following the date hereof, sell, transfer, mortgage, or dispose of in any manner any material assets of Party C or legal or beneficial interest in the material business or revenues of Party C of more than RMB 500,000, or allow the encumbrance thereon of any security interests;

2.1.4 Without the prior written consent of Party A, they shall not incur, inherit, guarantee, or suffer the existence of any debt, except for payables incurred in the ordinary course of business other than through loans;

2.1.5 They shall always operate all of Party C's businesses within the normal business scope to maintain the asset value of Party C and refrain from any action/omission that may affect Party C's operating status and asset value;

2.1.6 Without the prior written consent of Party A, they shall not cause Party C to execute any major contract, except the contracts in the ordinary course of business (for the purpose of this subsection, a contract with a price exceeding RMB 500,000 shall be deemed a major contract);

2.1.7 Without the prior written consent of Party A, they shall not cause Party C to provide any person with a loan or credit;

2.1.8 They shall provide Party A with information on Party C's business operations and financial condition at Party A's request;

2.1.9 If requested by Party A, they shall procure and maintain insurance in respect of Party C's assets and business from an insurance carrier acceptable to Party A, at an amount and type of coverage typical for companies that operate similar businesses;

2.1.10 Without the prior written consent of Party A, they shall not cause or permit Party C to merge, consolidate with, acquire, or invest in any person;

2.1.11 They shall immediately notify Party A of the occurrence or possible occurrence of any litigation, arbitration, or administrative proceedings relating to Party C's assets, business, or revenue;

2.1.12 To maintain the ownership by Party C of all of its assets, they shall execute all necessary or appropriate documents, take all necessary or appropriate actions, file all necessary or appropriate complaints, and raise necessary or appropriate defenses against all claims;

2.1.13 Without the prior written consent of Party A, they shall ensure that Party C shall not in any manner distribute dividends to its shareholders, provided that upon Party A's written request, Party C shall immediately distribute all distributable profits to its shareholders;

2.1.14 At the request of Party A, they shall appoint any person designated by Party A as the director or executive director of Party C.

2.1.15 Without Party A's prior written consent, they shall not engage in any business in competition with Party A or its affiliates; and

2.1.16 Unless otherwise required by PRC law, Party C shall not be dissolved or liquated without prior written consent by Party A.

2.2 Covenants of Party B

Party B hereby covenants to the following:

2.2.1 Without the prior written consent of Party A, Party B shall not sell, transfer, mortgage, or dispose of in any other manner any legal or beneficial interest in the equity interests in Party C held by Party B, or allow the encumbrance thereon, except for the interest placed in accordance with Party B's Equity Interest Pledge Agreement and Party B's Power of Attorney;

2.2.2 Without the prior written consent of Party A, Party B shall cause the shareholders' meeting and/or the directors (or the executive director) of Party C not to approve any sale, transfer, mortgage, or disposition in any other manner of any legal or beneficial interest in the equity interests in Party C held by Party B, or allow the encumbrance thereon of any security interest, except for the interest placed in accordance with Party B's Equity Interest Pledge Agreement and Party B's Power of Attorney;

2.2.3 Without the prior written consent of Party A, Party B shall cause the shareholders' meeting or the directors (or the executive director) of Party C not to approve the merger or consolidation with any person, or the acquisition of or investment in any person;

2.2.4 Party B shall immediately notify Party A of the occurrence or possible occurrence of any litigation, arbitration, or administrative proceedings relating to the equity interests in Party C held by Party B;

2.2.5 Party B shall cause the shareholders' meeting or the directors (or the executive director) of Party C to vote their approval of the transfer of the Optioned Interests as set forth in this Agreement and to take any and all other actions that may be requested by Party A;

2.2.6 To the extent necessary to maintain Party B's ownership in Party C, Party B shall execute all necessary or appropriate documents, take all necessary or appropriate actions, file all necessary or appropriate complaints, and raise necessary or appropriate defenses against all claims;

2.2.7 Party B shall appoint any designee of Party A as the director or the executive director of Party C, at the request of Party A;

2.2.8 Party B hereby waives its right of first refusal in regards to the transfer of equity interest by any other shareholder of Party C to Party A (if any), and gives consent to the execution by each other shareholder of Party C with Party A and Party C the exclusive option agreement, the equity interest pledge agreement and the power of attorney similar to this Agreement, Party B's Equity Interest Pledge Agreement, and Party B's Power of Attorney, and accepts not to take any actions in conflict with such documents executed by the other shareholders;

2.2.9 Party B shall promptly donate any profits, interests, dividends, or proceeds of liquidation to Party A or any other person designated by Party A to the extent permitted under the applicable PRC laws; and

2.2.10 Party B shall strictly abide by the provisions of this Agreement and other contracts jointly or separately executed by and among Party B, Party C, and Party A, perform the obligations hereunder and thereunder, and refrain from any action/omission that may affect the effectiveness and enforceability thereof. To the extent that Party B has any remaining rights with respect to the equity interests subject to this Agreement hereunder or under Party B's Equity Interest Pledge Agreement or under Party B's Power of Attorney, Party B shall not exercise such rights except in accordance with the written instructions of Party A.

3. Representations and Warranties

Party B and Party C hereby represent and warrant to Party A, jointly and severally, as of the date of this Agreement and each date of transfer of the Optioned Interests, that:

3.1 They have the power, capacity, and authority to execute and deliver this Agreement and any equity interest transfer contracts to which they are parties concerning the Optioned Interests to be transferred thereunder (each, a "Transfer Contract"), and to perform their obligations under this Agreement and any Transfer Contracts. Party B and Party C agree to enter into Transfer Contracts consistent with the terms of this Agreement upon Party A's exercise of the Equity Interest Purchase Option. This Agreement and the Transfer Contracts to which they are parties constitute or will constitute their legal, valid, and binding obligations, and shall be enforceable against them in accordance with the provisions thereof;

3.2 Party B and Party C have obtained any and all approvals and consents from the relevant government authorities and third parties (if required) for the execution, delivery, and performance of this Agreement.

3.3 The execution and delivery of this Agreement or any Transfer Contracts and the obligations under this Agreement or any Transfer Contracts shall not: (i) cause any violations of any applicable PRC laws; (ii) be inconsistent with the articles of association, bylaws, or other organizational documents of Party C; (iii) cause the violation of any contracts or instruments to which they are a party or which are binding on them, or constitute any breach under any contracts or instruments to which they are a party or which are binding on them; (iv) cause any violation of any condition for the grant and/or continued effectiveness of any licenses or permits issued to either of them; or (v) cause the suspension or revocation of or imposition of additional conditions to any licenses or permits issued to either of them;

3.4 Party B has a good and merchantable title to the equity interests held by Party B in Party C. Except for Party B's Equity Interest Pledge Agreement and Party B's Power of Attorney, Party B has not placed any security interest on such equity interests;

3.5 Party C has a good and merchantable title to all of its assets, and has not placed any security interest on the aforementioned assets;

3.6 Party C does not have any outstanding debts, except for (i) debt incurred within its normal business scope; and (ii) debts disclosed to Party A for which Party A's written consent has been obtained.

3.7 Party C has complied with all laws and regulations of China applicable to asset acquisitions; and

3.8 There are no pending or threatened litigation, arbitration, or administrative proceedings relating to the equity interests in Party C, assets of Party C, or Party C.

4. Effective Date and Term

This Agreement shall become effective upon execution by the Parties, and remain in effect until all equity interests held by Party B in Party C have been transferred or assigned to Party A and/or any other person designated by Party A in accordance with this Agreement.

5. Governing Law and Dispute Resolution

5.1 Governing Law

The execution, effectiveness, construction, performance, amendment, and termination of this Agreement as well as any dispute resolution hereunder shall be governed by the laws of the PRC.

5.2 Methods of Dispute Resolution

In the event of any dispute arising with respect to the construction and performance of this Agreement, the Parties shall first attempt to resolve the dispute through friendly negotiations. In the event that the Parties fail to reach an agreement on the dispute within 30 days after either Party's request to the other Parties for dispute resolution through negotiations, either Party may submit the relevant dispute to the China International Economic and Trade Arbitration Commission for arbitration, in accordance with its arbitration rules. The arbitration shall be conducted in Beijing, and the arbitration award shall be final and binding to all Parties.

6. Taxes and Fees

Each Party shall pay any and all transfer and registration taxes, expenses, and fees incurred thereby or levied thereon in accordance with the laws of China in connection with the preparation and execution of this Agreement and the Transfer Contracts, as well as the consummation of the transactions contemplated under this Agreement and the Transfer Contracts.

7. Notices

7.1 All notices and other communications required or permitted to be given pursuant to this Agreement shall be delivered personally or sent by registered mail, prepaid postage, commercial courier services, or facsimile transmission to the address of such Party set forth below. A confirmation copy of each notice shall also be sent by email. The dates on which notices shall be deemed to have been effectively given shall be determined as follows:

7.1.1 Notices given by personal delivery, courier services, registered mail, or prepaid postage shall be deemed effectively given on the date of receipt or refusal at the address specified for such notices;

7.1.2 Notices given by facsimile transmission shall be deemed effectively given on the date of successful transmission (as evidenced by an automatically generated confirmation of the transmission).

7.2 For the purpose of notices, the addresses of the Parties are as follows:

Party A: Chongqing Hengyuda Technology Co., Ltd.
Address: Room 3507, Floor 35, HNA-Poly International Center, No.235, Minsheng Road, Yuzhong District, Chongqing
Attn: Lin MEI
Phone:
Email:

Party B: Ning TANG
Address:
Attn: Ning Tang
Phone:
Email:

Party C: Yiren Financial Information Services (Beijing) Co., Ltd.
Address: 350 metres north of Roundabout, Yanfu Road, Yancun Town, Fangshan District, Beijing
Attn: Joanne LIU
Phone:
Email:

7.3 Any Party may at any time change its address for notices by having a notice delivered to the other Parties in accordance with the terms hereof.

8. Confidentiality

The Parties acknowledge that the existence and the terms of this Agreement, and any oral or written information exchanged between the Parties in connection with the preparation and performance of this Agreement are regarded as confidential information. Each Party shall maintain the confidentiality of all such confidential information, and without obtaining the written consent of other Parties, it shall not disclose any relevant confidential information to any third parties, except for the information that: (a) is or will be featured in the public domain (other than through the receiving Party's unauthorized disclosure); (b) is under the obligation to be disclosed pursuant to the applicable laws or regulations, rules of any stock exchange, or orders of the court or other government authorities; or (c) is required to be disclosed by any Party to its shareholders, directors, employees, legal counsels, or financial advisors regarding the transaction contemplated hereunder, provided that such shareholders, directors, employees, legal counsels, or financial advisors shall be bound by the confidential obligations similar to those set forth in this Section. Disclosure of any confidential information by the shareholders, director, employees of, or agencies engaged by any Party shall be deemed disclosure of such confidential information by such Party and that Party shall be held liable for breach of this Agreement.

9. Further Warranties

The Parties agree to promptly execute the documents that are reasonably required for or are conducive to the implementation of the provisions and purposes of this Agreement and to take further actions that are reasonably required for or are conducive to the implementation of the provisions and purposes of this Agreement.

10. Breach of Agreement

10.1 If Party B or Party C conducts any material breach of any term of this Agreement, Party A shall have right to terminate this Agreement and/or require Party B or Party C to compensate all damages; this Section 10 shall not prejudice any other rights of Party A herein;

10.2 Party B or Party C shall not have any right to terminate this Agreement in any event unless otherwise required by the applicable laws.

11. Miscellaneous

11.1 Amendments, changes, and supplements

Any amendments, changes, and supplements to this Agreement shall require the execution of a written agreement by all of the Parties.

11.2 Entire agreement

Except for the amendments, supplements, or changes in writing executed after the execution of this Agreement, this Agreement shall constitute the entire agreement reached by and among the Parties hereto with respect to the subject matter hereof, and shall supersede all prior oral and written consultations, representations, and contracts reached with respect to the subject matter of this Agreement, including but not limited to the Prior Agreement.

11.3 Headings

The headings of this Agreement are for convenience only, and shall not be used to interpret, explain, or otherwise affect the meanings of the provisions of this Agreement.

11.4 Language

This Agreement is written in both Chinese and English, and contains three copies, with each Party having one copy. The Chinese version and English version shall have equal legal validity.

11.5 Severability

In the event that one or several of the provisions of this Agreement are found to be invalid, illegal, or unenforceable in any aspect in accordance with any laws or regulations, the validity, legality, or enforceability of the remaining provisions of this Agreement shall not be affected or compromised in any respect. The Parties shall strive in good faith to replace such invalid, illegal, or unenforceable provisions with effective provisions that accomplish to the greatest extent permitted by the relevant laws and the intentions of the Parties, and the economic effect of such effective provisions shall be as close as possible to the economic effect of those invalid, illegal, or unenforceable provisions.

11.6 Successors

This Agreement shall be binding on and shall inure to the interest of the respective successors of the Parties and the permitted assigns of such Parties.

11.7 Survival

11.7.1 Any obligations that occur or are due as a result of this Agreement upon the expiration or early termination of this Agreement shall survive the expiration or early termination thereof.

11.7.2 The provisions of Sections 5, 8, 10, and this Section 11.7 shall survive the termination of this Agreement.

11.8 Waivers

Any Party may waive the terms and conditions of this Agreement, provided that such a waiver must be provided in writing and shall require the signatures of the Parties. No waiver by any Party in certain circumstances with respect to a breach by other Parties shall operate as a waiver by such a Party with respect to any similar breach in other circumstances.

IN WITNESS WHEREOF, the authorized representatives of the Parties have executed this Agreement as of the date first above written.

Party A: Chongqing Hengyuda Technology Co., Ltd.

By: /s/ Ning TANG (Company seal affixed)
Name: Ning TANG
Title: Legal Representative

Party B: Ning TANG

By: /s/ Ning TANG

Party C: Yiren Financial Information Services (Beijing) Co., Ltd.

By: /s/ Ning TANG (Company seal affixed)
Name: Ning TANG
Title: Legal Representative

Amended and Restated Exclusive Option Agreement

This Amended and Restated Exclusive Option Agreement (this "Agreement") is executed by and among the following Parties as of May 17, 2018 in Beijing, the People's Republic of China ("China" or the "PRC"):

Party A: Chongqing Hengyuda Technology Co., Ltd., a wholly foreign owned enterprise, organized and existing under the laws of the PRC, with its address at Room 3507, Floor 35, HNA-Poly International Center, No. 235, Minsheng Road, Yuzhong District, Chongqing;

Party B: Yan TIAN, a Chinese citizen with Chinese Identification No.: ; and

Party C: Yiren Financial Information Services (Beijing) Co., Ltd., a limited liability company organized and existing under the laws of the PRC, with its address at 350 meters north of Roundabout, Yanfu Road, Yancun Town, Fangshan District, Beijing.

In this Agreement, Party A, Party B, and Party C shall each be referred to as a "Party" respectively, and they shall be collectively referred to as the "Parties."

Whereas:

1. All the Parties hereto executed an Amended and Restated Exclusive Option Agreement on April 27, 2018 (the "Prior Agreement").

2. Party B is a shareholder of Party C and as of the date hereof holds 30% of the equity interests of Party C, representing RMB78,000,000 in the registered capital of Party C.

3. Party A and Party B executed an Amended and Restated Loan Agreement ("Loan Agreement") on May 17, 2018, pursuant to which Party A has provided to Party B a loan in the aggregate amount of RMB78,000,000 for the purpose as designated in the Loan Agreement.

After mutual discussions and negotiations, the Parties have now reached the following agreement, which will terminate and replace the Prior Agreement in its entirety and in all aspects.

1. Sale and Purchase of Equity Interest

1.1 Option Granted

Party B hereby irrevocably and unconditionally grants Party A a binding and exclusive right to purchase, or designate one or more persons (each, a "Designee") to purchase the equity interests in Party C then held by Party B at once or at multiple times at any time in part or in whole at Party A's sole and absolute discretion to the extent permitted by Chinese laws and at the price described in Section 1.3 herein (such right being the "Equity Interest Purchase Option"). Except for Party A and the Designee(s), no other person shall be entitled to the Equity Interest Purchase Option or other rights with respect to the equity interests of Party B. Party C hereby agrees to the grant by Party B of the Equity Interest Purchase Option to Party A. The term "person" as used herein shall refer to individuals, corporations, partnerships, partners, enterprises, trusts, or non-corporate organizations.

1.2 Steps for Exercise of the Equity Interest Purchase Option

Subject to the provisions of the laws and regulations of China, Party A may exercise the Equity Interest Purchase Option by issuing a written notice to Party B (the "Equity Interest Purchase Option Notice"), specifying: (a) Party A's or the Designee's decision to exercise the Equity Interest Purchase Option; (b) the portion of equity interests to be purchased by Party A or the Designee from Party B (the "Optioned Interests"); and (c) the date for purchasing the Optioned Interests or the date for transfer of the Optioned Interests.

1.3 Equity Interest Purchase Price

The total price for the purchase by Party A of all Optioned Interests held by Party B upon exercise of the Equity Interest Purchase Option by Party A shall equal to the amount of registered capital contributed by Party B in Party C for such Optioned Interests (or such price may be as set forth in the equity transfer agreement to be executed between Party A (or the Designee) and Party B separately, provided that such price does not violate PRC laws and regulations and is acceptable to Party A); if Party A exercises the Equity Interest Purchase Option to purchase part of the Optioned Interests held by Party B in Party C, then the purchase price shall be calculated on a pro rata basis. If at the time when Party A exercises the Equity Interest Purchase Option, the PRC laws impose mandatory requirements on the purchase price of such Optioned Interests, such that the minimum price permitted under PRC law is higher than the aforementioned price, then the purchase price shall be such minimum price permitted by PRC law (collectively, the "Equity Interest Purchase Price").

1.4 Transfer of Optioned Interests

For each exercise of the Equity Interest Purchase Option:

1.4.1 Party B shall cause Party C to promptly convene a shareholders' meeting, at which a resolution shall be adopted approving Party B's transfer of the Optioned Interests to Party A and/or the Designee(s);

1.4.2 Party B shall obtain written statements from the other shareholders of Party C giving consent to the transfer of the equity interest to Party A and/or the Designee(s) and waiving any right of first refusal related thereto;

1.4.3 Party B shall execute an equity interest transfer contract with respect to each transfer with Party A and/or each Designee (whichever is applicable), in accordance with the provisions of this Agreement and the Equity Interest Purchase Option Notice regarding the Optioned Interests;

1.4.4 The relevant Parties shall execute all other necessary contracts, agreements, or documents, obtain all necessary government licenses and permits, and take all necessary actions to transfer the valid ownership of the Optioned Interests to Party A and/or the Designee(s), unencumbered by any security interests, and cause Party A and/or the Designee(s) to become the registered owner(s) of the Optioned Interests. For the purpose of this Section and this Agreement, "security interests" shall include securities, mortgages, third party's rights or interests, any stock options, acquisition right, right of first refusal, right to offset, ownership retention, or other security arrangements, but shall be deemed to exclude any security interest created by this Agreement, Party B's Equity Interest Pledge Agreement, and Party B's Power of Attorney. "Party B's Equity Interest Pledge Agreement" as used in this Agreement shall refer to the Amended and Restated Interest Pledge Agreement executed by and among Party A, Party B and Party C on the date hereof and any modifications, amendments, and restatements thereto. "Party B's Power of Attorney" as used in this Agreement shall refer to the Power of Attorney executed by Party B on the date hereof granting Party A with a power of attorney and any modifications, amendments, and restatements thereto.

1.5 Payment

The Parties have agreed in the Loan Agreement that any proceeds obtained by Party B through the transfer of its equity interests in Party C shall be used for repayment of the loan provided by Party A (and any interest thereon) in accordance with the Loan Agreement. Accordingly, upon exercise of the Equity Interest Purchase Option, Party A may make the payment of the Equity Interest Purchase Price by way of offset of the outstanding debts owed by Party B to Party A (including without limitation the outstanding amount of the loan owed by Party B to Party A and any interest thereon under the Loan Agreement) (such debts, the "Offset Debts"), in which case Party A shall not be required to pay any additional purchase price to Party B, unless the Equity Interest Purchase Price set forth herein is required to be adjusted in accordance with the PRC laws. If the PRC laws impose mandatory requirements on the Equity Interest Purchase Price agreed under this Agreement, such that the minimum Equity Interest Purchase Price permitted under PRC laws exceeds the price already offset with the Offset Debts, the Party B shall promptly donate all of the amount exceeding the Offset Debts received by it to Party A or any other person designated by Party A in the manner permitted by the applicable PRC laws / Party B hereby waives its right to receive the amount of price that exceeds the amount offset with the Offset Debts.

2. Covenants

2.1 Covenants regarding Party C

Party B (as a shareholder of Party C) and Party C hereby covenant on the following:

2.1.1 Without the prior written consent of Party A, they shall not in any manner supplement, change, or amend the articles of association of Party C, increase or decrease its registered capital, or change its structure of registered capital in other manners;

2.1.2 They shall maintain Party C's corporate existence in accordance with good financial and business standards and practices, as well as obtain and maintain all necessary government licenses and permits by prudently and effectively operating its business and handling its affairs;

2.1.3 Without the prior written consent of Party A, they shall not at any time following the date hereof, sell, transfer, mortgage, or dispose of in any manner any material assets of Party C or legal or beneficial interest in the material business or revenues of Party C of more than RMB 500,000, or allow the encumbrance thereon of any security interests;

2.1.4 Without the prior written consent of Party A, they shall not incur, inherit, guarantee, or suffer the existence of any debt, except for payables incurred in the ordinary course of business other than through loans;

2.1.5 They shall always operate all of Party C's businesses within the normal business scope to maintain the asset value of Party C and refrain from any action/omission that may affect Party C's operating status and asset value;

2.1.6 Without the prior written consent of Party A, they shall not cause Party C to execute any major contract, except the contracts in the ordinary course of business (for the purpose of this subsection, a contract with a price exceeding RMB 500,000 shall be deemed a major contract);

2.1.7 Without the prior written consent of Party A, they shall not cause Party C to provide any person with a loan or credit;

2.1.8 They shall provide Party A with information on Party C's business operations and financial condition at Party A's request;

2.1.9 If requested by Party A, they shall procure and maintain insurance in respect of Party C's assets and business from an insurance carrier acceptable to Party A, at an amount and type of coverage typical for companies that operate similar businesses;

2.1.10 Without the prior written consent of Party A, they shall not cause or permit Party C to merge, consolidate with, acquire, or invest in any person;

2.1.11 They shall immediately notify Party A of the occurrence or possible occurrence of any litigation, arbitration, or administrative proceedings relating to Party C's assets, business, or revenue;

2.1.12 To maintain the ownership by Party C of all of its assets, they shall execute all necessary or appropriate documents, take all necessary or appropriate actions, file all necessary or appropriate complaints, and raise necessary or appropriate defenses against all claims;

2.1.13 Without the prior written consent of Party A, they shall ensure that Party C shall not in any manner distribute dividends to its shareholders, provided that upon Party A's written request, Party C shall immediately distribute all distributable profits to its shareholders;

2.1.14 At the request of Party A, they shall appoint any person designated by Party A as the director or executive director of Party C.

2.1.15 Without Party A's prior written consent, they shall not engage in any business in competition with Party A or its affiliates; and

2.1.16 Unless otherwise required by PRC law, Party C shall not be dissolved or liquated without prior written consent by Party A.

2.2 Covenants of Party B

Party B hereby covenants to the following:

2.2.1 Without the prior written consent of Party A, Party B shall not sell, transfer, mortgage, or dispose of in any other manner any legal or beneficial interest in the equity interests in Party C held by Party B, or allow the encumbrance thereon, except for the interest placed in accordance with Party B's Equity Interest Pledge Agreement and Party B's Power of Attorney;

2.2.2 Without the prior written consent of Party A, Party B shall cause the shareholders' meeting and/or the directors (or the executive director) of Party C not to approve any sale, transfer, mortgage, or disposition in any other manner of any legal or beneficial interest in the equity interests in Party C held by Party B, or allow the encumbrance thereon of any security interest, except for the interest placed in accordance with Party B's Equity Interest Pledge Agreement and Party B's Power of Attorney;

2.2.3 Without the prior written consent of Party A, Party B shall cause the shareholders' meeting or the directors (or the executive director) of Party C not to approve the merger or consolidation with any person, or the acquisition of or investment in any person;

2.2.4 Party B shall immediately notify Party A of the occurrence or possible occurrence of any litigation, arbitration, or administrative proceedings relating to the equity interests in Party C held by Party B;

2.2.5 Party B shall cause the shareholders' meeting or the directors (or the executive director) of Party C to vote their approval of the transfer of the Optioned Interests as set forth in this Agreement and to take any and all other actions that may be requested by Party A;

2.2.6 To the extent necessary to maintain Party B's ownership in Party C, Party B shall execute all necessary or appropriate documents, take all necessary or appropriate actions, file all necessary or appropriate complaints, and raise necessary or appropriate defenses against all claims;

2.2.7 Party B shall appoint any designee of Party A as the director or the executive director of Party C, at the request of Party A;

2.2.8 Party B hereby waives its right of first refusal in regards to the transfer of equity interest by any other shareholder of Party C to Party A (if any), and gives consent to the execution by each other shareholder of Party C with Party A and Party C the exclusive option agreement, the equity interest pledge agreement and the power of attorney similar to this Agreement, Party B's Equity Interest Pledge Agreement, and Party B's Power of Attorney, and accepts not to take any actions in conflict with such documents executed by the other shareholders;

2.2.9 Party B shall promptly donate any profits, interests, dividends, or proceeds of liquidation to Party A or any other person designated by Party A to the extent permitted under the applicable PRC laws; and

2.2.10 Party B shall strictly abide by the provisions of this Agreement and other contracts jointly or separately executed by and among Party B, Party C, and Party A, perform the obligations hereunder and thereunder, and refrain from any action/omission that may affect the effectiveness and enforceability thereof. To the extent that Party B has any remaining rights with respect to the equity interests subject to this Agreement hereunder or under Party B's Equity Interest Pledge Agreement or under Party B's Power of Attorney, Party B shall not exercise such rights except in accordance with the written instructions of Party A.

3. Representations and Warranties

Party B and Party C hereby represent and warrant to Party A, jointly and severally, as of the date of this Agreement and each date of transfer of the Optioned Interests, that:

3.1 They have the power, capacity, and authority to execute and deliver this Agreement and any equity interest transfer contracts to which they are parties concerning the Optioned Interests to be transferred thereunder (each, a "Transfer Contract"), and to perform their obligations under this Agreement and any Transfer Contracts. Party B and Party C agree to enter into Transfer Contracts consistent with the terms of this Agreement upon Party A's exercise of the Equity Interest Purchase Option. This Agreement and the Transfer Contracts to which they are parties constitute or will constitute their legal, valid, and binding obligations, and shall be enforceable against them in accordance with the provisions thereof;

3.2 Party B and Party C have obtained any and all approvals and consents from the relevant government authorities and third parties (if required) for the execution, delivery, and performance of this Agreement.

3.3 The execution and delivery of this Agreement or any Transfer Contracts and the obligations under this Agreement or any Transfer Contracts shall not: (i) cause any violations of any applicable PRC laws; (ii) be inconsistent with the articles of association, bylaws, or other organizational documents of Party C; (iii) cause the violation of any contracts or instruments to which they are a party or which are binding on them, or constitute any breach under any contracts or instruments to which they are a party or which are binding on them; (iv) cause any violation of any condition for the grant and/or continued effectiveness of any licenses or permits issued to either of them; or (v) cause the suspension or revocation of or imposition of additional conditions to any licenses or permits issued to either of them;

3.4 Party B has a good and merchantable title to the equity interests held by Party B in Party C. Except for Party B's Equity Interest Pledge Agreement and Party B's Power of Attorney, Party B has not placed any security interest on such equity interests;

3.5 Party C has a good and merchantable title to all of its assets, and has not placed any security interest on the aforementioned assets;

3.6 Party C does not have any outstanding debts, except for (i) debt incurred within its normal business scope; and (ii) debts disclosed to Party A for which Party A's written consent has been obtained.

3.7 Party C has complied with all laws and regulations of China applicable to asset acquisitions; and

3.8 There are no pending or threatened litigation, arbitration, or administrative proceedings relating to the equity interests in Party C, assets of Party C, or Party C.

4. Effective Date and Term

This Agreement shall become effective upon execution by the Parties, and remain in effect until all equity interests held by Party B in Party C have been transferred or assigned to Party A and/or any other person designated by Party A in accordance with this Agreement.

5. Governing Law and Dispute Resolution

5.1 Governing Law

The execution, effectiveness, construction, performance, amendment, and termination of this Agreement as well as any dispute resolution hereunder shall be governed by the laws of the PRC.

5.2 Methods of Dispute Resolution

In the event of any dispute arising with respect to the construction and performance of this Agreement, the Parties shall first attempt to resolve the dispute through friendly negotiations. In the event that the Parties fail to reach an agreement on the dispute within 30 days after either Party's request to the other Parties for dispute resolution through negotiations, either Party may submit the relevant dispute to the China International Economic and Trade Arbitration Commission for arbitration, in accordance with its arbitration rules. The arbitration shall be conducted in Beijing, and the arbitration award shall be final and binding to all Parties.

6. Taxes and Fees

Each Party shall pay any and all transfer and registration taxes, expenses, and fees incurred thereby or levied thereon in accordance with the laws of China in connection with the preparation and execution of this Agreement and the Transfer Contracts, as well as the consummation of the transactions contemplated under this Agreement and the Transfer Contracts.

7. Notices

7.1 All notices and other communications required or permitted to be given pursuant to this Agreement shall be delivered personally or sent by registered mail, prepaid postage, commercial courier services, or facsimile transmission to the address of such Party set forth below. A confirmation copy of each notice shall also be sent by email. The dates on which notices shall be deemed to have been effectively given shall be determined as follows:

7.1.1 Notices given by personal delivery, courier services, registered mail, or prepaid postage shall be deemed effectively given on the date of receipt or refusal at the address specified for such notices;

7.1.2 Notices given by facsimile transmission shall be deemed effectively given on the date of successful transmission (as evidenced by an automatically generated confirmation of the transmission).

7.2 For the purpose of notices, the addresses of the Parties are as follows:

Party A:	Chongqing Hengyuda Technology Co., Ltd.
Address:	Room 3507, Floor 35, HNA-Poly International Center, No.235, Minsheng Road, Yuzhong District, Chongqing
Attn:	Lin MEI
Phone:	
Email:	
Party B:	Yan TIAN
Address:	
Attn:	Yan TIAN
Phone:	
Email:	
Party C:	Yiren Financial Information Services (Beijing) Co., Ltd.
Address:	350 metres north of Roundabout, Yanfu Road, Yancun Town, Fangshan District, Beijing
Attn:	Joanne LIU
Phone:	
Email:	

7.3 Any Party may at any time change its address for notices by having a notice delivered to the other Parties in accordance with the terms hereof.

8. Confidentiality

The Parties acknowledge that the existence and the terms of this Agreement, and any oral or written information exchanged between the Parties in connection with the preparation and performance of this Agreement are regarded as confidential information. Each Party shall maintain the confidentiality of all such confidential information, and without obtaining the written consent of other Parties, it shall not disclose any relevant confidential information to any third parties, except for the information that: (a) is or will be featured in the public domain (other than through the receiving Party's unauthorized disclosure); (b) is under the obligation to be disclosed pursuant to the applicable laws or regulations, rules of any stock exchange, or orders of the court or other government authorities; or (c) is required to be disclosed by any Party to its shareholders, directors, employees, legal counsels, or financial advisors regarding the transaction contemplated hereunder, provided that such shareholders, directors, employees, legal counsels, or financial advisors shall be bound by the confidential obligations similar to those set forth in this Section. Disclosure of any confidential information by the shareholders, director, employees of, or agencies engaged by any Party shall be deemed disclosure of such confidential information by such Party and that Party shall be held liable for breach of this Agreement.

9. Further Warranties

The Parties agree to promptly execute the documents that are reasonably required for or are conducive to the implementation of the provisions and purposes of this Agreement and to take further actions that are reasonably required for or are conducive to the implementation of the provisions and purposes of this Agreement.

10. Breach of Agreement

10.1 If Party B or Party C conducts any material breach of any term of this Agreement, Party A shall have right to terminate this Agreement and/or require Party B or Party C to compensate all damages; this Section 10 shall not prejudice any other rights of Party A herein;

10.2 Party B or Party C shall not have any right to terminate this Agreement in any event unless otherwise required by the applicable laws.

11. Miscellaneous

11.1 Amendments, changes, and supplements

Any amendments, changes, and supplements to this Agreement shall require the execution of a written agreement by all of the Parties.

11.2 Entire agreement

Except for the amendments, supplements, or changes in writing executed after the execution of this Agreement, this Agreement shall constitute the entire agreement reached by and among the Parties hereto with respect to the subject matter hereof, and shall supersede all prior oral and written consultations, representations, and contracts reached with respect to the subject matter of this Agreement, including but not limited to the Prior Agreement.

11.3 Headings

The headings of this Agreement are for convenience only, and shall not be used to interpret, explain, or otherwise affect the meanings of the provisions of this Agreement.

11.4 Language

This Agreement is written in both Chinese and English, and contains three copies, with each Party having one copy. The Chinese version and English version shall have equal legal validity.

11.5 Severability

In the event that one or several of the provisions of this Agreement are found to be invalid, illegal, or unenforceable in any aspect in accordance with any laws or regulations, the validity, legality, or enforceability of the remaining provisions of this Agreement shall not be affected or compromised in any respect. The Parties shall strive in good faith to replace such invalid, illegal, or unenforceable provisions with effective provisions that accomplish to the greatest extent permitted by the relevant laws and the intentions of the Parties, and the economic effect of such effective provisions shall be as close as possible to the economic effect of those invalid, illegal, or unenforceable provisions.

11.6 Successors

This Agreement shall be binding on and shall inure to the interest of the respective successors of the Parties and the permitted assigns of such Parties.

11.7 Survival

11.7.1 Any obligations that occur or are due as a result of this Agreement upon the expiration or early termination of this Agreement shall survive the expiration or early termination thereof.

11.7.2 The provisions of Sections 5, 8, 10, and this Section 11.7 shall survive the termination of this Agreement.

11.8 Waivers

Any Party may waive the terms and conditions of this Agreement, provided that such a waiver must be provided in writing and shall require the signatures of the Parties. No waiver by any Party in certain circumstances with respect to a breach by other Parties shall operate as a waiver by such a Party with respect to any similar breach in other circumstances.

IN WITNESS WHEREOF, the authorized representatives of the Parties have executed this Agreement as of the date first above written.

Party A: Chongqing Hengyuda Technology Co., Ltd.

By: /s/ Ning Tang (Company seal affixed)
Name: Ning Tang
Title: Legal Representative

Party B: Yan Tian

By: /s/ Yan Tian

Party C: Yiren Financial Information Services (Beijing) Co., Ltd.

By: /s/ Ning Tang (Company seal affixed)
Name: Ning Tang
Title: Legal Representative

Exhibit 4.22

Loan Agreement

This Loan Agreement (this "Agreement") is made and entered into by and between the Parties below as of March 25, 2019 in Beijing, China:

(1) **Yiren Heng Ye Technology Development (Beijing) Co., Ltd.** ("Lender"), a wholly foreign owned enterprise, organized and existing under the laws of the PRC, with its address at Room 1018, Floor 10, Building 9, Yard No. 91, Jianguo Street, Chaoyang District, Beijing;

(2) **Ning Tang** ("Borrower"), a citizen of China with Chinese Identification No.: .

Each of the Lender and the Borrower shall be hereinafter referred to as a "Party" respectively, and as the "Parties" collectively.

Whereas:

1. As of the date hereof, Borrower holds 95% of equity interests in CreditEase Puhui Information Consultant (Beijing) Co., Ltd. ("Borrower Company"). All of the equity interest now held and hereafter acquired by Borrower in Borrower Company shall be referred to as Borrower Equity Interest;

2. Lender confirms that it agrees to provide Borrower with and Borrower confirms that he/she has received a loan which equals to RMB 28,500,000 to be used for the purposes set forth under this Agreement.

3. Borrower has fully paid RMB28,500,000 to Borrower Company as the registered capital he has subscribed, a portion of which funds have been provided by PXHY Science and Technology Co., Ltd. ("PXHY") as a loan to Borrower (the "Previous Loan") without any written agreements between Borrower and PXHY.

After friendly consultation, the Parties agree as follows:

1 Loan

1.1 In accordance with the terms and conditions of this Agreement, Lender and Borrower hereby acknowledge that Borrower has obtained from Lender a loan in the amount of RMB 28,500,000 (the "Loan"). The term of the Loan shall be 10 years from the effective date of this Agreement, which may be extended upon mutual written consent of the Parties. During the term of the Loan or the extended term of the Loan, Borrower shall immediately repay the full amount of the Loan in the event any one or more of the following circumstances occur:

1.1.1 30 days elapse after Borrower receives a written notice from Lender requesting repayment of the Loan;

1.1.2 Borrower's death, lack or limitation of civil capacity;

1.1.3 Borrower ceases (for any reason) to be an employee of Lender, Borrower Company or their affiliates;

1.1.4 Borrower engages in criminal act or is involved in criminal activities;

1.1.5 According to the applicable laws of China, foreign investors are permitted to invest in the principle business that is currently conducted by Borrower Company in China with a controlling stake and/or in the form of wholly-foreign-owned enterprises, the relevant competent authorities of China begin to approve such investments, and Lender exercises the exclusive option under the Exclusive Option Agreement (the "Exclusive Option Agreement") described in this Agreement.

1.2 The Loan provided by Lender under this Agreement shall inure to Borrower's benefit only and not to Borrower's successors or assigns.

1.3 Borrower agrees to accept the aforementioned Loan provided by Lender, and hereby agrees and warrants using the Loan to subscribe the registered capital of Borrower Company. Without Lender's prior written consent, Borrower shall not use the Loan for any purpose other than as set forth herein. All Parties hereby agree that the funds received by Borrower under the aforementioned Loan could be paid to PXHY as the repayment of the Previous Loan owed by Borrower to PXHY.

1.4 Lender and Borrower hereby agree and acknowledge that Borrower's method of repayment shall be at the sole discretion of Lender, and shall at Lender's option take the form of Borrower's transferring the Borrower Equity Interest in whole to Lender or Lender's designated persons (legal or natural persons) pursuant to the Lender's exercise of its right to acquire the Borrower Equity Interest under the Exclusive Option Agreement, and any proceeds from the transfer of the Borrower Equity Interest (to the extent permissible) shall be used by the Borrower to repay the Loan to Lender, in accordance with this Agreement and in the manner designated by Lender.

1.5 Lender and Borrower hereby agree and acknowledge that to the extent permitted by applicable laws, Lender shall have the right but not the obligation to purchase or designate other persons (legal or natural persons) to purchase Borrower Equity Interest in part or in whole at any time, at the price stipulated in the Exclusive Option Agreement.

1.6 Borrower also undertakes to execute an irrevocable Power of Attorney (the "Power of Attorney"), which authorizes Lender or a legal or natural person designated by Lender to exercise all of Borrower's rights as a shareholder of Borrower Company.

1.7 When Borrower transfers Borrower Equity Interest to Lender or Lender's designated person(s), in the event that the transfer price of such equity interest equals or is lower than the principal of the Loan under this Agreement, the Loan under this Agreement shall be deemed an interest-free loan. In the event that the transfer price of such equity interest exceeds the principal of the Loan under this Agreement, the excess over the principal shall be deemed the interest of the Loan under this Agreement payable by Borrower to Lender.

2 <u>Representations and Warranties</u>

2.1 Between the date of this Agreement and the date of termination of this Agreement, Lender hereby makes the following representations and warranties to Borrower:

2.1.1 Lender is a corporation duly organized and legally existing in accordance with the laws of China;

2.1.2 Lender has the legal capacity to execute and perform this Agreement. The execution and performance by Lender of this Agreement is consistent with Lender's scope of business and the provisions of Lender's corporate bylaws and other organizational documents, and Lender has obtained all necessary and proper approvals and authorizations for the execution and performance of this Agreement; and

2.1.3 This Agreement constitutes Lender's legal, valid and binding obligations enforceable in accordance with its terms.

2.2 Between the date of this Agreement and the date of termination of this Agreement, Borrower hereby makes the following representations and warranties:

2.2.1 Borrower has the legal capacity to execute and perform this Agreement. Borrower has obtained all necessary and proper approvals and authorizations for the execution and performance of this Agreement;

2.2.2 This Agreement constitutes Borrower's legal, valid and binding obligations enforceable in accordance with its terms; and

2.2.3 There are no disputes, litigations, arbitrations, administrative proceedings or any other legal proceedings relating to Borrower, nor are there any potential disputes, litigations, arbitrations, administrative proceedings or any other legal proceedings relating to Borrower.

3 Borrower's Covenants

3.1 As and when he becomes, and for so long as he remains a shareholder of Borrower Company, Borrower covenants irrevocably that during the term of this Agreement, Borrower shall cause Borrower Company:

3.1.1 to strictly abide by the provisions of the Exclusive Option Agreement and the Exclusive Business Cooperation Agreement ("Exclusive Business Cooperation Agreement") to which the Borrower Company is a party, and to refrain from any action/omission that may affect the effectiveness and enforceability of the Exclusive Option Agreement and Exclusive Business Cooperation Agreement.

3.1.2 at the request of Lender (or a party designated by Lender), to execute contracts/agreements on business cooperation with Lender (or a party designated by Lender), and to strictly abide by such contracts/agreements;

3.1.3 to provide Lender with all of the information on Borrower Company's business operations and financial condition at Lender's request;

3.1.4 to immediately notify Lender of the occurrence or possible occurrence of any litigation, arbitration or administrative proceedings relating to Borrower Company's assets, business or income;

3.1.5 at the request of Lender, to appoint any persons designated by Lender as directors of Borrower Company;

3.2 Borrower covenants that during the term of this Agreement, he shall:

3.1.6 endeavor to keep Borrower Company to engage in its principle businesses;

3.1.7 abide by the provisions of this Agreement, the Power of Attorney, the Equity Interest Pledge Agreement ("Equity Interest Pledge Agreement") and the Exclusive Option Agreement to which the Borrower is a party, perform his obligations under this Agreement, the Power of Attorney, the Equity Interest Pledge Agreement and the Exclusive Option Agreement, and refrain from any action/omission that may affect the effectiveness and enforceability of this Agreement, the Power of Attorney, the Equity Interest Pledge Agreement and the Exclusive Option Agreement;

3.1.8 not sell, transfer, mortgage or dispose of in any other manner the legal or beneficial interest in Borrower Equity Interest, or allow the encumbrance thereon of any security interest or the encumbrance, except in accordance with the Equity Interest Pledge Agreement;

3.1.9 cause any shareholders' meeting and/or the board of directors of Borrower Company not to approve the sale, transfer, mortgage or disposition in any other manner of any legal or beneficial interest in Borrower Equity Interest, or allow the encumbrance thereon of any security interest, except to Lender or Lender's designated person;

3.1.10 cause any shareholders' meeting and/or the board of directors of the Borrower Company not to approve the merger or consolidation of Borrower Company with any person, or its acquisition of or investment in any person, without the prior written consent of Lender;

3.1.11 immediately notify Lender of the occurrence or possible occurrence of any litigation, arbitration or administrative proceedings relating to Borrower Equity Interest;

3.1.12 to the extent necessary to maintain his ownership of the Borrower Equity Interest, execute all necessary or appropriate documents, take all necessary or appropriate actions and file all necessary or appropriate complaints or raise necessary and appropriate defense against all claims;

3.1.13 without the prior written consent of Lender, refrain from any action /omission that may have a material impact on the assets, business and liabilities of Borrower Company;

3.1.14 appoint any designee of Lender as director of Borrower Company, at the request of Lender;

3.1.15 to the extent permitted by the laws of China, at the request of Lender at any time, promptly and unconditionally transfer all of Borrower Equity Interest to Lender or Lender's designated representative(s) at any time, and cause the other shareholders of Borrower Company to waive their right of first refusal with respect to the share transfer described in this Section;

3.1.16 to the extent permitted by the laws of China, at the request of Lender at any time, cause the other shareholders of Borrower Company to promptly and unconditionally transfer all of their equity interests to Lender or Lender's designated representative(s) at any time, and Borrower hereby waives his right of first refusal (if any) with respect to the share transfer described in this Section;

3.1.17 in the event that Lender purchases Borrower Equity Interest from Borrower in accordance with the provisions of the Exclusive Option Agreement, use such purchase price obtained thereby to repay the Loan to Lender; and

3.1.18 without the prior written consent of Lender, not to cause Borrower Company to supplement, change, or amend its articles of association in any manner, increase or decreases its registered capital or change its share capital structure in any manner.

4 Liability for Default

4.1 If Borrower conducts any material breach of any term of this Agreement, Lender shall have right to terminate this Agreement and require the Borrower to compensate all damages; this Section 4.1 shall not prejudice any other rights of Lender herein.

4.2 Borrower shall not terminate this Agreement in any event unless otherwise required by applicable laws.

4.3 In the event that Borrower fails to perform the repayment obligations set forth in this Agreement, Borrower shall pay overdue interest of 0.01% per day for the outstanding payment, until the day Borrower repays the full principal of the Loan, overdue interests and other payable amounts.

5 Notices

5.1 All notices and other communications required or permitted to be given pursuant to this Agreement shall be delivered personally or sent by registered mail, postage prepaid, by a commercial courier service or by facsimile transmission to the address of such Party set forth below. A confirmation copy of each notice shall also be sent by email. The dates on which notices shall be deemed to have been effectively given shall be determined as follows:

5.1.1 Notices given by personal delivery, by courier service or by registered mail, postage prepaid, shall be deemed effectively given on the date of delivery.

5.1.2 Notices given by facsimile transmission shall be deemed effectively given on the date of successful transmission (as evidenced by an automatically generated confirmation of transmission).

5.2 For the purpose of notices, the addresses of the Parties are as follows:

Lender: **Yiren Heng Ye Technology Development (Beijing) Co., Ltd.**
Address: 10/F, Building B, Jindi Center, 91 Jianguo Road, Chaoyang District, Beijing
Attn: Dennis Cong
Phone:
Email:

Borrower: **Ning Tang**
Address:
Phone:
Email:

5.3 Any Party may at any time change its address for notices by a notice delivered to the other Party in accordance with the terms hereof.

6 Confidentiality

The Parties acknowledge that the existence and the terms of this Agreement and any oral or written information exchanged between the Parties in connection with the preparation and performance this Agreement are regarded as confidential information. Each Party shall maintain confidentiality of all such confidential information, and without obtaining the written consent of the other Party, it shall not disclose any relevant confidential information to any third parties, except for the information that: (a) is or will be in the public domain (other than through the receiving Party's unauthorized disclosure); (b) is under the obligation to be disclosed pursuant to the applicable laws or regulations, rules of any stock exchange, or orders of the court or other government authorities; or (c) is required to be disclosed by any Party to its shareholders, directors, employees, legal counsels or financial advisors regarding the transaction contemplated hereunder, provided that such shareholders, directors, employees, legal counsels or financial advisors shall be bound by the confidentiality obligations similar to those set forth in this Section. Disclosure of any confidential information by the shareholders, director, employees of or agencies engaged by any Party shall be deemed disclosure of such confidential information by such Party and such Party shall be held liable for breach of this Agreement.

7 Governing Law and Resolution of Disputes

7.1 The execution, effectiveness, construction, performance, amendment and termination of this Agreement and the resolution of disputes shall be governed by the laws of China.

7.2 In the event of any dispute with respect to the construction and performance of this Agreement, the Parties shall first resolve the dispute through friendly negotiations. In the event the Parties fail to reach an agreement on the dispute within 30 days after either Party's request to the other Party for resolution of the dispute through negotiations, either Party may submit the relevant dispute to the China International Economic and Trade Arbitration Commission for arbitration, in accordance with its then effective arbitration rules. The arbitration shall be conducted in Beijing. The arbitration award shall be final and binding on all Parties.

7.3 Upon the occurrence of any disputes arising from the construction and performance of this Agreement or during the pending arbitration of any dispute, except for the matters under dispute, the Parties to this Agreement shall continue to exercise their respective rights under this Agreement and perform their respective obligations under this Agreement.

8 Miscellaneous

8.1 This Agreement should become effective upon execution by the Parties, and shall expire upon the date of full performance by the Parties of their respective obligations under this Agreement.

8.2 This Agreement shall be written in both Chinese and English language in two copies, each Party having one copy. The Chinese version and English version shall have equal legal validity.

8.3 This Agreement may be amended or supplemented through written agreement by and between Lender and Borrower. Such written amendment agreement and/or supplementary agreement executed by and between Lender and Borrower are an integral part of this Agreement, and shall have the same legal validity as this Agreement.

8.4 In the event that one or several of the provisions of this Agreement are found to be invalid, illegal or unenforceable in any aspect in accordance with any laws or regulations, the validity, legality or enforceability of the remaining provisions of this Agreement shall not be affected or compromised in any respect. The Parties shall strive in good faith to replace such invalid, illegal or unenforceable provisions with effective provisions that accomplish to the greatest extent permitted by law the intentions of the Parties, and the economic effect of such effective provisions shall be as close as possible to the economic effect of those invalid, illegal or unenforceable provisions.

8.5 The attachments (if any) to this Agreement shall be an integral part of this Agreement and shall have the same legal validity as this Agreement.

8.6 Any obligations that occur or that are due as a result of this Agreement upon the expiration or early termination of this Agreement shall survive the expiration or early termination thereof. The provisions of Sections 4, 6, 7 and this Section 8.6 shall survive the termination of this Agreement.

IN WITNESS WHEREOF, the Parties have caused their authorized representatives to execute this Loan Agreement as of the date firs above written.

Lender: **Yiren Heng Ye Technology Development (Beijing) Co., Ltd. (Seal)**

By: /s/ Ning Tang (Company seal affixed)
Name: Ning Tang
Title: Legal Representative

Borrower:Ning Tang

By: /s/ Ning Tang)

Loan Agreement

This Loan Agreement (this "Agreement") is made and entered into by and between the Parties below as of March 25, 2019 in Beijing, China:

(1) **Yiren Heng Ye Technology Development (Beijing) Co., Ltd.** ("Lender"), a wholly foreign owned enterprise, organized and existing under the laws of the PRC, with its address at Room 1018, Floor 10, Building 9, Yard No. 91, Jianguo Street, Chaoyang District, Beijing;

(2) **Yan Tian** ("Borrower"), a citizen of China with Chinese Identification No.: .

Each of the Lender and the Borrower shall be hereinafter referred to as a "Party" respectively, and as the "Parties" collectively.

Whereas:

1. As of the date hereof, Borrower holds 5% of equity interests in CreditEase Puhui Information Consultant (Beijing) Co., Ltd. ("Borrower Company"). All of the equity interest now held and hereafter acquired by Borrower in Borrower Company shall be referred to as Borrower Equity Interest;

2. Lender confirms that it agrees to provide Borrower with and Borrower confirms that he/she has received a loan which equals to RMB 1,500,000 to be used for the purposes set forth under this Agreement.

3. Borrower has fully paid RMB1,500,000 to Borrower Company as the registered capital she has subscribed, a portion of which funds have been provided by PXHY Science and Technology (Beijing) Co., Ltd. ("PXHY") as a loan to Borrower (the "Previous Loan") without any written agreements between Borrower and PXHY.

After friendly consultation, the Parties agree as follows:

1 Loan

1.1 In accordance with the terms and conditions of this Agreement, Lender and Borrower hereby acknowledge that Borrower has obtained from Lender a loan in the amount of RMB 1,500,000 (the "Loan"). The term of the Loan shall be 10 years from the effective date of this Agreement, which may be extended upon mutual written consent of the Parties. During the term of the Loan or the extended term of the Loan, Borrower shall immediately repay the full amount of the Loan in the event any one or more of the following circumstances occur:

1.1.1 30 days elapse after Borrower receives a written notice from Lender requesting repayment of the Loan;

1.1.2 Borrower's death, lack or limitation of civil capacity;

1.1.3 Borrower ceases (for any reason) to be an employee of Lender, Borrower Company or their affiliates;

1.1.4 Borrower engages in criminal act or is involved in criminal activities;

1.1.5 According to the applicable laws of China, foreign investors are permitted to invest in the principle business that is currently conducted by Borrower Company in China with a controlling stake and/or in the form of wholly-foreign-owned enterprises, the relevant competent authorities of China begin to approve such investments, and Lender exercises the exclusive option under the Exclusive Option Agreement (the "Exclusive Option Agreement") described in this Agreement.

1.2 The Loan provided by Lender under this Agreement shall inure to Borrower's benefit only and not to Borrower's successors or assigns.

1.3 Borrower agrees to accept the aforementioned Loan provided by Lender, and hereby agrees and warrants using the Loan to subscribe the registered capital of Borrower Company. Without Lender's prior written consent, Borrower shall not use the Loan for any purpose other than as set forth herein. All Parties hereby agree that the funds received by Borrower under the aforementioned Loan could be paid to PXHY as the repayment of the Previous Loan owed by Borrower to PXHY.

1.4 Lender and Borrower hereby agree and acknowledge that Borrower's method of repayment shall be at the sole discretion of Lender, and shall at Lender's option take the form of Borrower's transferring the Borrower Equity Interest in whole to Lender or Lender's designated persons (legal or natural persons) pursuant to the Lender's exercise of its right to acquire the Borrower Equity Interest under the Exclusive Option Agreement, and any proceeds from the transfer of the Borrower Equity Interest (to the extent permissible) shall be used by the Borrower to repay the Loan to Lender, in accordance with this Agreement and in the manner designated by Lender.

1.5 Lender and Borrower hereby agree and acknowledge that to the extent permitted by applicable laws, Lender shall have the right but not the obligation to purchase or designate other persons (legal or natural persons) to purchase Borrower Equity Interest in part or in whole at any time, at the price stipulated in the Exclusive Option Agreement.

1.6 Borrower also undertakes to execute an irrevocable Power of Attorney (the "Power of Attorney"), which authorizes Lender or a legal or natural person designated by Lender to exercise all of Borrower's rights as a shareholder of Borrower Company.

1.7 When Borrower transfers Borrower Equity Interest to Lender or Lender's designated person(s), in the event that the transfer price of such equity interest equals or is lower than the principal of the Loan under this Agreement, the Loan under this Agreement shall be deemed an interest-free loan. In the event that the transfer price of such equity interest exceeds the principal of the Loan under this Agreement, the excess over the principal shall be deemed the interest of the Loan under this Agreement payable by Borrower to Lender.

2 <u>Representations and Warranties</u>

2.1 Between the date of this Agreement and the date of termination of this Agreement, Lender hereby makes the following representations and warranties to Borrower:

2.1.1 Lender is a corporation duly organized and legally existing in accordance with the laws of China;

2.1.2 Lender has the legal capacity to execute and perform this Agreement. The execution and performance by Lender of this Agreement is consistent with Lender's scope of business and the provisions of Lender's corporate bylaws and other organizational documents, and Lender has obtained all necessary and proper approvals and authorizations for the execution and performance of this Agreement; and

2.1.3 This Agreement constitutes Lender's legal, valid and binding obligations enforceable in accordance with its terms.

2.2 Between the date of this Agreement and the date of termination of this Agreement, Borrower hereby makes the following representations and warranties:

2.2.1 Borrower has the legal capacity to execute and perform this Agreement. Borrower has obtained all necessary and proper approvals and authorizations for the execution and performance of this Agreement;

2.2.2 This Agreement constitutes Borrower's legal, valid and binding obligations enforceable in accordance with its terms; and

2.2.3 There are no disputes, litigations, arbitrations, administrative proceedings or any other legal proceedings relating to Borrower, nor are there any potential disputes, litigations, arbitrations, administrative proceedings or any other legal proceedings relating to Borrower.

3 Borrower's Covenants

3.1 As and when he becomes, and for so long as he remains a shareholder of Borrower Company, Borrower covenants irrevocably that during the term of this Agreement, Borrower shall cause Borrower Company:

3.1.1 to strictly abide by the provisions of the Exclusive Option Agreement and the Exclusive Business Cooperation Agreement ("Exclusive Business Cooperation Agreement") to which the Borrower Company is a party, and to refrain from any action/omission that may affect the effectiveness and enforceability of the Exclusive Option Agreement and Exclusive Business Cooperation Agreement.

3.1.2 at the request of Lender (or a party designated by Lender), to execute contracts/agreements on business cooperation with Lender (or a party designated by Lender), and to strictly abide by such contracts/agreements;

3.1.3 to provide Lender with all of the information on Borrower Company's business operations and financial condition at Lender's request;

3.1.4 to immediately notify Lender of the occurrence or possible occurrence of any litigation, arbitration or administrative proceedings relating to Borrower Company's assets, business or income;

3.1.5 at the request of Lender, to appoint any persons designated by Lender as directors of Borrower Company;

3.2 Borrower covenants that during the term of this Agreement, he shall:

3.2.1 endeavor to keep Borrower Company to engage in its principle businesses;

3.2.2 abide by the provisions of this Agreement, the Power of Attorney, the Equity Interest Pledge Agreement ("Equity Interest Pledge Agreement") and the Exclusive Option Agreement to which the Borrower is a party, perform his obligations under this Agreement, the Power of Attorney, the Equity Interest Pledge Agreement and the Exclusive Option Agreement, and refrain from any action/omission that may affect the effectiveness and enforceability of this Agreement, the Power of Attorney, the Equity Interest Pledge Agreement and the Exclusive Option Agreement;

3.2.3 not sell, transfer, mortgage or dispose of in any other manner the legal or beneficial interest in Borrower Equity Interest, or allow the encumbrance thereon of any security interest or the encumbrance, except in accordance with the Equity Interest Pledge Agreement;

3.2.4 cause any shareholders' meeting and/or the board of directors of Borrower Company not to approve the sale, transfer, mortgage or disposition in any other manner of any legal or beneficial interest in Borrower Equity Interest, or allow the encumbrance thereon of any security interest, except to Lender or Lender's designated person;

3.2.5 cause any shareholders' meeting and/or the board of directors of the Borrower Company not to approve the merger or consolidation of Borrower Company with any person, or its acquisition of or investment in any person, without the prior written consent of Lender;

3.2.6 immediately notify Lender of the occurrence or possible occurrence of any litigation, arbitration or administrative proceedings relating to Borrower Equity Interest;

3.2.7 to the extent necessary to maintain his ownership of the Borrower Equity Interest, execute all necessary or appropriate documents, take all necessary or appropriate actions and file all necessary or appropriate complaints or raise necessary and appropriate defense against all claims;

3.2.8 without the prior written consent of Lender, refrain from any action /omission that may have a material impact on the assets, business and liabilities of Borrower Company;

3.2.9 appoint any designee of Lender as director of Borrower Company, at the request of Lender;

3.2.10 to the extent permitted by the laws of China, at the request of Lender at any time, promptly and unconditionally transfer all of Borrower Equity Interest to Lender or Lender's designated representative(s) at any time, and cause the other shareholders of Borrower Company to waive their right of first refusal with respect to the share transfer described in this Section;

3.2.11 to the extent permitted by the laws of China, at the request of Lender at any time, cause the other shareholders of Borrower Company to promptly and unconditionally transfer all of their equity interests to Lender or Lender's designated representative(s) at any time, and Borrower hereby waives his right of first refusal (if any) with respect to the share transfer described in this Section;

3.2.12 in the event that Lender purchases Borrower Equity Interest from Borrower in accordance with the provisions of the Exclusive Option Agreement, use such purchase price obtained thereby to repay the Loan to Lender; and

3.2.13 without the prior written consent of Lender, not to cause Borrower Company to supplement, change, or amend its articles of association in any manner, increase or decreases its registered capital or change its share capital structure in any manner.

4 Liability for Default

4.1 If Borrower conducts any material breach of any term of this Agreement, Lender shall have right to terminate this Agreement and require the Borrower to compensate all damages; this Section 4.1 shall not prejudice any other rights of Lender herein.

4.2 Borrower shall not terminate this Agreement in any event unless otherwise required by applicable laws.

4.3 In the event that Borrower fails to perform the repayment obligations set forth in this Agreement, Borrower shall pay overdue interest of 0.01% per day for the outstanding payment, until the day Borrower repays the full principal of the Loan, overdue interests and other payable amounts.

5 Notices

5.1 All notices and other communications required or permitted to be given pursuant to this Agreement shall be delivered personally or sent by registered mail, postage prepaid, by a commercial courier service or by facsimile transmission to the address of such Party set forth below. A confirmation copy of each notice shall also be sent by email. The dates on which notices shall be deemed to have been effectively given shall be determined as follows:

5.1.1 Notices given by personal delivery, by courier service or by registered mail, postage prepaid, shall be deemed effectively given on the date of delivery.

5.1.2 Notices given by facsimile transmission shall be deemed effectively given on the date of successful transmission (as evidenced by an automatically generated confirmation of transmission).

5.2 For the purpose of notices, the addresses of the Parties are as follows:

Lender: **Yiren Heng Ye Technology Development (Beijing) Co., Ltd.**
Address: 10/F, Building B, Jindi Center, 91 Jianguo Road, Chaoyang District, Beijing
Attn: Dennis Cong
Phone:
Email:
Borrower: **Yan Tian**
Address:
Phone:
Email:

5.3 Any Party may at any time change its address for notices by a notice delivered to the other Party in accordance with the terms hereof.

6 Confidentiality

The Parties acknowledge that the existence and the terms of this Agreement and any oral or written information exchanged between the Parties in connection with the preparation and performance this Agreement are regarded as confidential information. Each Party shall maintain confidentiality of all such confidential information, and without obtaining the written consent of the other Party, it shall not disclose any relevant confidential information to any third parties, except for the information that: (a) is or will be in the public domain (other than through the receiving Party's unauthorized disclosure); (b) is under the obligation to be disclosed pursuant to the applicable laws or regulations, rules of any stock exchange, or orders of the court or other government authorities; or (c) is required to be disclosed by any Party to its shareholders, directors, employees, legal counsels or financial advisors regarding the transaction contemplated hereunder, provided that such shareholders, directors, employees, legal counsels or financial advisors shall be bound by the confidentiality obligations similar to those set forth in this Section. Disclosure of any confidential information by the shareholders, director, employees of or agencies engaged by any Party shall be deemed disclosure of such confidential information by such Party and such Party shall be held liable for breach of this Agreement.

7 Governing Law and Resolution of Disputes

7.1 The execution, effectiveness, construction, performance, amendment and termination of this Agreement and the resolution of disputes shall be governed by the laws of China.

7.2 In the event of any dispute with respect to the construction and performance of this Agreement, the Parties shall first resolve the dispute through friendly negotiations. In the event the Parties fail to reach an agreement on the dispute within 30 days after either Party's request to the other Party for resolution of the dispute through negotiations, either Party may submit the relevant dispute to the China International Economic and Trade Arbitration Commission for arbitration, in accordance with its then effective arbitration rules. The arbitration shall be conducted in Beijing. The arbitration award shall be final and binding on all Parties.

7.3 Upon the occurrence of any disputes arising from the construction and performance of this Agreement or during the pending arbitration of any dispute, except for the matters under dispute, the Parties to this Agreement shall continue to exercise their respective rights under this Agreement and perform their respective obligations under this Agreement.

8 Miscellaneous

8.1 This Agreement should become effective upon execution by the Parties, and shall expire upon the date of full performance by the Parties of their respective obligations under this Agreement.

8.2 This Agreement shall be written in both Chinese and English language in two copies, each Party having one copy. The Chinese version and English version shall have equal legal validity.

8.3 This Agreement may be amended or supplemented through written agreement by and between Lender and Borrower. Such written amendment agreement and/or supplementary agreement executed by and between Lender and Borrower are an integral part of this Agreement, and shall have the same legal validity as this Agreement.

8.4 In the event that one or several of the provisions of this Agreement are found to be invalid, illegal or unenforceable in any aspect in accordance with any laws or regulations, the validity, legality or enforceability of the remaining provisions of this Agreement shall not be affected or compromised in any respect. The Parties shall strive in good faith to replace such invalid, illegal or unenforceable provisions with effective provisions that accomplish to the greatest extent permitted by law the intentions of the Parties, and the economic effect of such effective provisions shall be as close as possible to the economic effect of those invalid, illegal or unenforceable provisions.

8.5 The attachments (if any) to this Agreement shall be an integral part of this Agreement and shall have the same legal validity as this Agreement.

8.6 Any obligations that occur or that are due as a result of this Agreement upon the expiration or early termination of this Agreement shall survive the expiration or early termination thereof. The provisions of Sections 4, 6, 7 and this Section 8.6 shall survive the termination of this Agreement.

IN WITNESS WHEREOF, the Parties have caused their authorized representatives to execute this Loan Agreement as of the date firs above written.

Lender: **Yiren Heng Ye Technology Development (Beijing) Co., Ltd. (Seal)**

By: /s/ Ning Tang (Company seal affixed)
Name: Ning Tang
Title: Legal Representative

Borrower: Yan Tian

By: /s/ Yan Tian

Exhibit 4.23

Equity Interest Pledge Agreement

This Equity Interest Pledge Agreement (this "Agreement") has been executed by and among the following parties on March 25, 2019 in Beijing, the People's Republic of China ("China" or the "PRC"):

Party A: **Yiren Heng Ye Technology Development (Beijing) Co., Ltd.** (hereinafter "Pledgee"), a wholly foreign owned enterprise, organized and existing under the laws of the PRC, with its address at Room 1018, Floor 10, Building 9, Yard No. 91, Jianguo Street, Chaoyang District, Beijing;

Party B: **Ning Tang** (hereinafter "Pledgor"), a Chinese citizen with Chinese Identification No.: ; and

Party C: **CreditEase Puhui Information Consultant (Beijing) Co., Ltd.**, a limited liability company organized and existing under the laws of the PRC, with its address at Floor 11, Building 1, West Dawang Street, Chaoyang District, Beijing.

In this Agreement, each of Pledgee, Pledgor and Party C shall be referred to as a "Party" respectively, and they shall be collectively referred to as the "Parties".

Whereas:

1. Pledgor is a citizen of China who as of the date hereof holds 95% of equity interests of Party C, representing RMB28,500,000 in the registered capital of Party C. Party C is a limited liability company registered in Beijing, China, engaging in economic trade consulting, financial consulting, enterprise management consulting, outsourcing services regarding financial information technology, financial business process and financial knowledge process under authorization from financial institutions, marketing research, software development, data processing, technology development, promotion, transferring, consulting and service. Party C acknowledges the respective rights and obligations of Pledgor and Pledgee under this Agreement, and intends to provide any necessary assistance in registering the Pledge;

2. Pledgee is a wholly foreign-owned enterprise registered in China. Pledgee and Party C which is partially owned by Pledgor have executed an Exclusive Business Cooperation Agreement (as defined below) in Beijing; Party C, Pledgee and Pledgor have executed an Exclusive Option Agreement (as defined below);Pledgor has executed a Power of Attorney (as defined below) in favor of Pledgee; and Pledgee and Pledgor have executed a Loan Agreement (as defined below);

3. To ensure that Party C and Pledgor fully perform their obligations under the Exclusive Business Cooperation Agreement, the Exclusive Option Agreement, the Loan Agreement and the Power of Attorney, Pledgor hereby pledges to the Pledgee all of the equity interest that Pledgor holds in Party C as security for Party C's and Pledgor's obligations under the Exclusive Business Cooperation Agreement, the Exclusive Option Agreement, the Loan Agreement and the Power of Attorney.

To perform the provisions of the Transaction Documents (as defined below), the Parties have mutually agreed to execute this Agreement upon the following terms.

1. Definitions

Unless otherwise provided herein, the terms below shall have the following meanings:

1.1 Pledge: shall refer to the security interest granted by Pledgor to Pledgee pursuant to Section 2 of this Agreement, i.e., the right of Pledgee to be paid in priority with the Equity Interest based on the monetary valuation that such Equity Interest is converted into or from the proceeds from auction or sale of the Equity Interest.

1.2 Equity Interest: shall refer to 95% equity interests in Party C currently held by Pledgor, representing RMB28,500,000 in the registered capital of Party C, and all of the equity interest hereafter acquired by Pledgor in Party C.

1.3 Term of Pledge: shall refer to the term set forth in Section 3 of this Agreement.

1.4 Transaction Documents: shall refer to the Exclusive Business Cooperation Agreement executed by and between Party C and Pledgee on March 25, 2019 (the "Exclusive Business Cooperation Agreement"), the Exclusive Option Agreement executed by and among Party C, Pledgee and Pledgor on March 25, 2019 (the "Exclusive Option Agreement"), the Loan Agreement executed by and between Pledgee and Pledgor on March 25, 2019 (the "Loan Agreement"), Power of Attorney executed on March 25, 2019 by Pledgor (the "Power of Attorney") and any modification, amendment and restatement to the aforementioned documents.

1.5 Contract Obligations: shall refer to all the obligations of Pledgor under the Exclusive Option Agreement, the Power of Attorney, the Loan Agreement and this Agreement; all the obligations of Party C under the Exclusive Business Cooperation Agreement, the Exclusive Option Agreement, the Loan Agreement and this Agreement.

1.6 Secured Indebtedness: shall refer to all the direct, indirect and derivative losses and losses of anticipated profits, suffered by Pledgee, incurred as a result of any Event of Default. The amount of such loss shall be calculated in accordance with the reasonable business plan and profit forecast of Pledgee, the consulting and service fees payable to Pledgee under the Exclusive Business Cooperation Agreement, all expenses occurred in connection with enforcement by Pledgee of Pledgor's and/or Party C's Contract Obligations and etc.

1.7 Event of Default: shall refer to any of the circumstances set forth in Section 7 of this Agreement.

1.8 Notice of Default: shall refer to the notice issued by Pledgee in accordance with this Agreement declaring an Event of Default.

2. Pledge

2.1 Pledgor agrees to pledge all the Equity Interest as security for performance of the Contract Obligations and payment of the Secured Indebtedness under this Agreement. Party C hereby assents that Pledgor pledges the Equity Interest to the Pledgee pursuant to this Agreement.

2.2 During the term of the Pledge, Pledgee is entitled to receive dividends distributed on the Equity Interest. Pledgor may receive dividends distributed on the Equity Interest only with prior written consent of Pledgee. Dividends received by Pledgor on Equity Interest after deduction of individual income tax paid by Pledgor shall be, as required by Pledgee, (1) deposited into an account designated and supervised by Pledgee and used to secure the Contract Obligations and pay the Secured Indebtedness prior and in preference to make any other payment; or (2) unconditionally donated to Pledgee or any other person designated by Pledgee to the extent permitted under applicable PRC laws.

2.3 Pledgor may subscribe for capital increase in Party C only with prior written consent of Pledgee. Any equity interest obtained by Pledgor as a result of Pledgor's subscription of the increased registered capital of the Company shall also be deemed as Equity Interest.

2.4 In the event that Party C is required by PRC law to be liquidated or dissolved, any interest distributed to Pledgor upon Party C's dissolution or liquidation shall, upon the request of the Pledgee, be (1) deposited into an account designate and supervised by Pledgee and used to secure the Contract Obligations and pay the Secured Indebtedness prior and in preference to make any other payment; or (2) unconditionally donated to Pledgee or any other person designated by Pledgee to the extent permitted under applicable PRC laws.

3. Term of Pledge

3.1 The Pledge shall become effective on such date when the pledge of the Equity Interest contemplated herein is registered with relevant administration for industry and commerce (the "AIC"). The Pledge shall remain effective until all Contract Obligations have been fully performed and all Secured Indebtedness have been fully paid. Pledgor and Party C shall (1) register the Pledge in the shareholders' register of Party C within 3 business days following the execution of this Agreement, and (2) submit an application to the AIC for the registration of the Pledge of the Equity Interest contemplated herein within 15 business days following the execution of this Agreement. The parties covenant that for the purpose of registration of the Pledge, the parties hereto and all other shareholders of Party C shall submit to the AIC this Agreement or an equity interest pledge contract in the form required by the AIC at the location of Party C which shall truly reflect the information of the Pledge hereunder (the "AIC Pledge Contract"). For matters not specified in the AIC Pledge Contract, the parties shall be bound by the provisions of this Agreement. Pledgor and Party C shall submit all necessary documents and complete all necessary procedures, as required by the PRC laws and regulations and the relevant AIC, to ensure that the Pledge of the Equity Interest shall be registered with the AIC as soon as possible after submission for filing.

3.2 During the Term of Pledge, in the event Pledgor and/or Party C fails to perform the Contract Obligations or pay Secured Indebtedness, Pledgee shall have the right, but not the obligation, to exercise the Pledge in accordance with the provisions of this Agreement.

4. Custody of Records for Equity Interest subject to Pledge

4.1 During the Term of Pledge set forth in this Agreement, Pledgor shall deliver to Pledgee's custody the capital contribution certificate for the Equity Interest and the shareholders' register containing the Pledge within one week from the execution of this Agreement. Pledgee shall have custody of such documents during the entire Term of Pledge set forth in this Agreement.

5. Representations and Warranties of Pledgor and Party C

As of the execution date of this Agreement, Pledgor and Party C hereby jointly and severally represent and warrant to Pledgee that:

5.1 Pledgor is the sole legal and beneficial owner of the Equity Interest.

5.2 Pledgee shall have the right to dispose of and transfer the Equity Interest in accordance with the provisions set forth in this Agreement.

5.3 Except for the Pledge, Pledgor has not placed any security interest, collateral or other encumbrance on the Equity Interest.

5.4 Pledgor and Party C have obtained any and all approvals and consents from applicable government authorities and third parties (if required) for execution, delivery and performance of this Agreement.

5.5 The execution, delivery and performance of this Agreement will not: (i) violate any relevant PRC laws; (ii) conflict with Party C's articles of association or other constitutional documents; (iii) result in any breach of or constitute any default under any contract or instrument to which it is a party or by which it is otherwise bound; (iv) result in any violation of any condition for the grant and/or maintenance of any permit or approval granted to any Party; or (v) cause any permit or approval granted to any Party to be suspended, cancelled or attached with additional conditions.

6. Covenants of Pledgor and Party C

6.1 During the term of this Agreement, Pledgor and Party C hereby jointly and severally covenant to the Pledgee:

6.1.1 Pledgor shall not transfer the Equity Interest, place or permit the existence of any security interest or other encumbrance on the Equity Interest or any portion thereof, without the prior written consent of Pledgee, except for the performance of the Transaction Documents;

6.1.2 Pledgor and Party C shall comply with the provisions of all laws and regulations applicable to the pledge of rights, and within five (5) days of receipt of any notice, order or recommendation issued or prepared by relevant competent authorities regarding the Pledge, shall present the aforementioned notice, order or recommendation to Pledgee, and shall comply with the aforementioned notice, order or recommendation or submit objections and representations with respect to the aforementioned matters upon Pledgee's reasonable request or upon consent of Pledgee;

6.1.3 Pledgor and Party C shall promptly notify Pledgee of any event or notice received by Pledgor that may have an impact on the Equity Interest or any portion thereof, as well as any event or notice received by Pledgor that may have an impact on any guarantees and other obligations of Pledgor arising out of this Agreement.

6.1.4 Party C shall complete the registration procedures for extension of the term of operation within three (3) months prior to the expiration of such term to maintain the validity of this Agreement.

6.2 Pledgor agrees that the rights acquired by Pledgee in accordance with this Agreement with respect to the Pledge shall not be interrupted or harmed by Pledgor or any heirs or representatives of Pledgor or any other persons through any legal proceedings.

6.3 To protect or perfect the security interest granted by this Agreement for the Contract Obligations and Secured Indebtedness, Pledgor hereby undertakes to execute in good faith and to cause other parties who have an interest in the Pledge to execute all certificates, agreements, deeds and/or covenants required by Pledgee. Pledgor also undertakes to perform and to cause other parties who have an interest in the Pledge to perform actions required by Pledgee, to facilitate the exercise by Pledgee of its rights and authority granted thereto by this Agreement, and to enter into all relevant documents regarding ownership of Equity Interest with Pledgee or designee(s) of Pledgee (natural persons/legal persons). Pledgor undertakes to provide Pledgee within a reasonable time with all notices, orders and decisions regarding the Pledge that are required by Pledgee.

6.4 Pledgor hereby undertakes to comply with and perform all guarantees, promises, agreements, representations and conditions under this Agreement. In the event of failure or partial performance of its guarantees, promises, agreements, representations and conditions, Pledgor shall indemnify Pledgee for all losses resulting therefrom.

7. Event of Breach

7.1 The following circumstances shall be deemed Event of Default:

7.1.1 Pledgor's any breach to any obligations under the Transaction Documents and/or this Agreement.

7.1.2 Party C's any breach to any obligations under the Transaction Documents and/or this Agreement.

7.2 Upon notice or discovery of the occurrence of any circumstances or event that may lead to the aforementioned circumstances described in Section 7.1, Pledgor and Party C shall immediately notify Pledgee in writing accordingly.

7.3 Unless an Event of Default set forth in this Section 7.1 has been successfully resolved to Pledgee's satisfaction within twenty (20) days after the Pledgee and /or Party C delivers a notice to the Pledgor requesting ratification of such Event of Default, Pledgee may issue a Notice of Default to Pledgor in writing at any time thereafter, demanding the Pledgor to immediately exercise the Pledge in accordance with the provisions of Section 8 of this Agreement.

8. Exercise of Pledge

8.1 Pledgee shall issue a written Notice of Default to Pledgor when it exercises the Pledge.

8.2 Subject to the provisions of Section 7.3, Pledgee may exercise the right to enforce the Pledge at any time after the issuance of the Notice of Default in accordance with Section 8.1. Once Pledgee elects to enforce the Pledge, Pledgor shall cease to be entitled to any rights or interests associated with the Equity Interest.

8.3 After Pledgee issues a Notice of Default to Pledgor in accordance with Section 8.1, Pledgee may exercise any remedy measure under applicable PRC laws, the Transaction Documents and this Agreement, including but not limited to being paid in priority with the Equity Interest based on the monetary valuation that such Equity Interest is converted into or from the proceeds from auction or sale of the Equity Interest. The Pledgee shall not be liable for any loss incurred by its duly exercise of such rights and powers.

8.4 The proceeds from exercise of the Pledge by Pledgee shall be used to pay for tax and expenses incurred as result of disposing the Equity Interest and to perform Contract Obligations and pay the Secured Indebtedness to the Pledgee prior and in preference to any other payment. After the payment of the aforementioned amounts, the remaining balance shall be returned to Pledgor or any other person who have rights to such balance under applicable laws or be deposited to the local notary public office where Pledgor resides, with all expense incurred being borne by Pledgor. To the extent permitted under applicable PRC laws, Pledgor shall unconditionally donate the aforementioned proceeds to Pledgee or any other person designated by Pledgee.

8.5 Pledgee may exercise any remedy measure available simultaneously or in any order. Pledgee may exercise the right to being paid in priority with the Equity Interest based on the monetary valuation that such Equity Interest is converted into or from the proceeds from auction or sale of the Equity Interest under this Agreement, without exercising any other remedy measure first.

8.6 Pledgee is entitled to designate an attorney or other representatives to exercise the Pledge on its behalf, and Pledgor or Party C shall not raise any objection to such exercise.

8.7 When Pledgee disposes of the Pledge in accordance with this Agreement, Pledgor and Party C shall provide necessary assistance to enable Pledgee to enforce the Pledge in accordance with this Agreement.

9. Breach of Agreement

9.1 If Pledgor or Party C conducts any material breach of any term of this Agreement, Pledgee shall have right to terminate this Agreement and/or require Pledgor or Party C to indemnify all damages; this Section 9 shall not prejudice any other rights of Pledgee herein;

9.2 Pledgor or Party C shall not have any right to terminate this Agreement in any event unless otherwise required by applicable laws.

10. Assignment

10.1 Without Pledgee's prior written consent, Pledgor and Party C shall not have the right to assign or delegate their rights and obligations under this Agreement.

10.2 This Agreement shall be binding on Pledgor and his/her successors and permitted assigns, and shall be valid with respect to Pledgee and each of his/her successors and assigns.

10.3 At any time, Pledgee may assign any and all of its rights and obligations under the Transaction Documents and this Agreement to its designee(s), in which case the assigns shall have the rights and obligations of Pledgee under the Transaction Documents and this Agreement, as if it were the original party to the Transaction Documents and this Agreement.

10.4 In the event of change of Pledgee due to assignment, Pledgor and/or Party C shall, at the request of Pledgee, execute a new pledge agreement with the new pledgee on the same terms and conditions as this Agreement, and register the same with the relevant AIC.

10.5 Pledgor and Party C shall strictly abide by the provisions of this Agreement and other contracts jointly or separately executed by the Parties hereto or any of them, including the Transaction Documents, perform the obligations hereunder and thereunder, and refrain from any action/omission that may affect the effectiveness and enforceability thereof. Any remaining rights of Pledgor with respect to the Equity Interest pledged hereunder shall not be exercised by Pledgor except in accordance with the written instructions of Pledgee.

11. Termination

11.1 Upon the fulfillment of all Contract Obligations and the full payment of all Secured Indebtedness by Pledgor and Party C, Pledgee shall release the Pledge under this Agreement upon Pledgor's request as soon as reasonably practicable and shall assist Pledgor to de-register the Pledge from the shareholders' register of Party C and with relevant PRC local administration for industry and commerce.

11.2 The provisions under Sections 9, 13, 14 and 11.2 herein of this Agreement shall survive the expiration or termination of this Agreement.

12. Handling Fees and Other Expenses

All fees and out of pocket expenses relating to this Agreement, including but not limited to legal costs, costs of production, stamp tax and any other taxes and fees, shall be borne by Party C.

13. Confidentiality

The Parties acknowledge that the existence and the terms of this Agreement and any oral or written information exchanged between the Parties in connection with the preparation and performance this Agreement are regarded as confidential information. Each Party shall maintain confidentiality of all such confidential information, and without obtaining the written consent of the other Party, it shall not disclose any relevant confidential information to any third parties, except for the information that: (a) is or will be in the public domain (other than through the receiving Party's unauthorized disclosure); (b) is under the obligation to be disclosed pursuant to the applicable laws or regulations, rules of any stock exchange, or orders of the court or other government authorities; or (c) is required to be disclosed by any Party to its shareholders, directors, employees, legal counsels or financial advisors regarding the transaction contemplated hereunder, provided that such shareholders, directors, employees, legal counsels or financial advisors shall be bound by the confidentiality obligations similar to those set forth in this Section. Disclosure of any confidential information by the shareholders, director, employees of or agencies engaged by any Party shall be deemed disclosure of such confidential information by such Party and such Party shall be held liable for breach of this Agreement.

14. Governing Law and Resolution of Disputes

14.1 The execution, effectiveness, construction, performance, amendment and termination of this Agreement and the resolution of disputes hereunder shall be governed by the laws of China.

14.2 In the event of any dispute with respect to the construction and performance of this Agreement, the Parties shall first resolve the dispute through friendly negotiations. In the event the Parties fail to reach an agreement on the dispute within 30 days after either Party's request to the other Parties for resolution of the dispute through negotiations, either Party may submit the relevant dispute to the China International Economic and Trade Arbitration Commission for arbitration, in accordance with its Arbitration Rules. The arbitration shall be conducted in Beijing. The arbitration award shall be final and binding on all Parties.

14.3 Upon the occurrence of any disputes arising from the construction and performance of this Agreement or during the pending arbitration of any dispute, except for the matters under dispute, the Parties to this Agreement shall continue to exercise their respective rights under this Agreement and perform their respective obligations under this Agreement.

15. Notices

15.1 All notices and other communications required or permitted to be given pursuant to this Agreement shall be delivered personally or sent by registered mail, postage prepaid, by a commercial courier service or by facsimile transmission to the address of such party set forth below. A confirmation copy of each notice shall also be sent by E-mail. The dates on which notices shall be deemed to have been effectively given shall be determined as follows:

15.2 Notices given by personal delivery, by courier service or by registered mail, postage prepaid, shall be deemed effectively given on the date of delivery or refusal at the address specified for notices.

15.3 Notices given by facsimile transmission shall be deemed effectively given on the date of successful transmission (as evidenced by an automatically generated confirmation of transmission).

15.4 For the purpose of notices, the addresses of the Parties are as follows:

Party A: **Yiren Heng Ye Technology Development (Beijing) Co., Ltd.**
Address: 10/F, Building B, Jindi Center, 91 Jianguo Road, Chaoyang District, Beijing
Attn: Dennis Cong
Phone:
Email:

Party B: **Ning Tang**
Address:
Phone:
Email:

Party C: **CreditEase Puhui Information Consultant (Beijing) Co., Ltd.**
Address: Floor 3, Building A, Wentelai Center, 1 West Dawang Road, Chaoyang District, Beijing
Attn: Ning Tang
Phone:
Email:

15.5 Any Party may at any time change its address for notices by a notice delivered to the other Parties in accordance with the terms hereof.

16. Severability

In the event that one or several of the provisions of this Contract are found to be invalid, illegal or unenforceable in any aspect in accordance with any laws or regulations, the validity, legality or enforceability of the remaining provisions of this Contract shall not be affected or compromised in any respect. The Parties shall strive in good faith to replace such invalid, illegal or unenforceable provisions with effective provisions that accomplish to the greatest extent permitted by law and the intentions of the Parties, and the economic effect of such effective provisions shall be as close as possible to the economic effect of those invalid, illegal or unenforceable provisions.

17. Attachments

The attachments set forth herein shall be an integral part of this Agreement.

18. Effectiveness

18.1 This Agreement shall become effective upon execution by the Parties.

18.2 Any amendments, changes and supplements to this Agreement shall be in writing and shall become effective upon completion of the governmental filing procedures (if applicable) after the affixation of the signatures or seals of the Parties.

19. **Language and Counterparts**

This Agreement is written in Chinese and English in four copies. Pledgor, Pledgee and Party C shall hold one copy respectively and the other copy shall be used for registration. In case of any discrepancy between the Chinese version and the English version, the Chinese version shall prevail.

The Remainder of this page is intentionally left blank

IN WITNESS WHEREOF, the Parties have caused their authorized representatives to execute this Equity Interest Pledge Agreement as of the date first above written.

Party A: **Yiren Heng Ye Technology Development (Beijing) Co., Ltd. (Seal)**

By: /s/ Ning Tang (Company seal affixed)
Name: Ning Tang
Title: Legal Representative

Party B: **Ning Tang**

By: /s/ Ning Tang

Party C: **CreditEase Puhui Information Consultant (Beijing) Co., Ltd. (Seal)**

By: /s/ Ning Tang (Company seal affixed)
Name: Ning Tang
Title: Legal Representative

Attachments:

1. Shareholders' Register of Party C;
2. The Capital Contribution Certificate for Party C
3. Exclusive Business Cooperation Agreement
4. Exclusive Option Agreement
5. Power of Attorney
6. Power of Attorney

Equity Interest Pledge Agreement

This Equity Interest Pledge Agreement (this "Agreement") has been executed by and among the following parties on March 25, 2019 in Beijing, the People's Republic of China ("China" or the "PRC"):

Party A: **Yiren Heng Ye Technology Development (Beijing) Co., Ltd.** (hereinafter "Pledgee"), a wholly foreign owned enterprise, organized and existing under the laws of the PRC, with its address at Room 1018, Floor 10, Building 9, Yard No. 91, Jianguo Street, Chaoyang District, Beijing;

Party B: **Yan Tian** (hereinafter "Pledgor"), a Chinese citizen with Chinese Identification No.:; and

Party C: **CreditEase Puhui Information Consultant (Beijing) Co., Ltd.**, a limited liability company organized and existing under the laws of the PRC, with its address at Floor 11, Building 1, West Dawang Street, Chaoyang District, Beijing.

In this Agreement, each of Pledgee, Pledgor and Party C shall be referred to as a "Party" respectively, and they shall be collectively referred to as the "Parties".

Whereas:

1. Pledgor is a citizen of China who as of the date hereof holds 5% of equity interests of Party C, representing RMB 1,500,000 in the registered capital of Party C. Party C is a limited liability company registered in Beijing, China, engaging in economic trade consulting, financial consulting, enterprise management consulting, outsourcing services regarding financial information technology, financial business process and financial knowledge process under authorization from financial institutions, marketing research, software development, data processing, technology development, promotion, transferring, consulting and service. Party C acknowledges the respective rights and obligations of Pledgor and Pledgee under this Agreement, and intends to provide any necessary assistance in registering the Pledge;

2. Pledgee is a wholly foreign-owned enterprise registered in China. Pledgee and Party C which is partially owned by Pledgor have executed an Exclusive Business Cooperation Agreement (as defined below) in Beijing; Party C, Pledgee and Pledgor have executed an Exclusive Option Agreement (as defined below); Pledgor has executed a Power of Attorney (as defined below) in favor of Pledgee; and Pledgee and Pledgor have executed a Loan Agreement (as defined below);

   To ensure that Party C and Pledgor fully perform their obligations under the Exclusive Business Cooperation Agreement, the Exclusive Option Agreement, the Loan Agreement and the Power of Attorney, Pledgor hereby pledges to the Pledgee all of the equity interest that Pledgor holds in Party C as security for Party C's and Pledgor's obligations under the Exclusive Business Cooperation Agreement, the Exclusive Option Agreement, the Loan Agreement and the Power of Attorney.

3. To perform the provisions of the Transaction Documents (as defined below), the Parties have mutually agreed to execute this Agreement upon the following terms.

1. Definitions

Unless otherwise provided herein, the terms below shall have the following meanings:

1.1 Pledge: shall refer to the security interest granted by Pledgor to Pledgee pursuant to Section 2 of this Agreement, i.e., the right of Pledgee to be paid in priority with the Equity Interest based on the monetary valuation that such Equity Interest is converted into or from the proceeds from auction or sale of the Equity Interest.

1.2 Equity Interest: shall refer to 5% equity interests in Party C currently held by Pledgor, representing RMB 1,500,000 in the registered capital of Party C, and all of the equity interest hereafter acquired by Pledgor in Party C.

1.3 Term of Pledge: shall refer to the term set forth in Section 3 of this Agreement.

1.4 Transaction Documents: shall refer to the Exclusive Business Cooperation Agreement executed by and between Party C and Pledgee on March 25, 2019 (the "Exclusive Business Cooperation Agreement"), the Exclusive Option Agreement executed by and among Party C, Pledgee and Pledgor on March 25, 2019 (the "Exclusive Option Agreement"), the Loan Agreement executed by and between Pledgee and Pledgor on March 25, 2019 (the "Loan Agreement"), Power of Attorney executed on March 25, 2019 by Pledgor (the "Power of Attorney") and any modification, amendment and restatement to the aforementioned documents.

1.5 Contract Obligations: shall refer to all the obligations of Pledgor under the Exclusive Option Agreement, the Loan Agreement, the Power of Attorney and this Agreement; all the obligations of Party C under the Exclusive Business Cooperation Agreement, the Exclusive Option Agreement, the Loan Agreement and this Agreement.

1.6 Secured Indebtedness: shall refer to all the direct, indirect and derivative losses and losses of anticipated profits, suffered by Pledgee, incurred as a result of any Event of Default. The amount of such loss shall be calculated in accordance with the reasonable business plan and profit forecast of Pledgee, the consulting and service fees payable to Pledgee under the Exclusive Business Cooperation Agreement, all expenses occurred in connection with enforcement by Pledgee of Pledgor's and/or Party C's Contract Obligations and etc.

1.7 Event of Default: shall refer to any of the circumstances set forth in Section 7 of this Agreement.

1.8 Notice of Default: shall refer to the notice issued by Pledgee in accordance with this Agreement declaring an Event of Default.

2. Pledge

2.1 Pledgor agrees to pledge all the Equity Interest as security for performance of the Contract Obligations and payment of the Secured Indebtedness under this Agreement. Party C hereby assents that Pledgor pledges the Equity Interest to the Pledgee pursuant to this Agreement.

2.2 During the term of the Pledge, Pledgee is entitled to receive dividends distributed on the Equity Interest. Pledgor may receive dividends distributed on the Equity Interest only with prior written consent of Pledgee. Dividends received by Pledgor on Equity Interest after deduction of individual income tax paid by Pledgor shall be, as required by Pledgee, (1) deposited into an account designated and supervised by Pledgee and used to secure the Contract Obligations and pay the Secured Indebtedness prior and in preference to make any other payment; or (2) unconditionally donated to Pledgee or any other person designated by Pledgee to the extent permitted under applicable PRC laws.

2.3 Pledgor may subscribe for capital increase in Party C only with prior written consent of Pledgee. Any equity interest obtained by Pledgor as a result of Pledgor's subscription of the increased registered capital of the Company shall also be deemed as Equity Interest.

2.4 In the event that Party C is required by PRC law to be liquidated or dissolved, any interest distributed to Pledgor upon Party C's dissolution or liquidation shall, upon the request of the Pledgee, be (1) deposited into an account designate and supervised by Pledgee and used to secure the Contract Obligations and pay the Secured Indebtedness prior and in preference to make any other payment; or (2) unconditionally donated to Pledgee or any other person designated by Pledgee to the extent permitted under applicable PRC laws.

3. Term of Pledge

3.1 The Pledge shall become effective on such date when the pledge of the Equity Interest contemplated herein is registered with relevant administration for industry and commerce (the "AIC"). The Pledge shall remain effective until all Contract Obligations have been fully performed and all Secured Indebtedness have been fully paid. Pledgor and Party C shall (1) register the Pledge in the shareholders' register of Party C within 3 business days following the execution of this Agreement, and (2) submit an application to the AIC for the registration of the Pledge of the Equity Interest contemplated herein within 15 business days following the execution of this Agreement. The parties covenant that for the purpose of registration of the Pledge, the parties hereto and all other shareholders of Party C shall submit to the AIC this Agreement or an equity interest pledge contract in the form required by the AIC at the location of Party C which shall truly reflect the information of the Pledge hereunder (the "AIC Pledge Contract"). For matters not specified in the AIC Pledge Contract, the parties shall be bound by the provisions of this Agreement. Pledgor and Party C shall submit all necessary documents and complete all necessary procedures, as required by the PRC laws and regulations and the relevant AIC, to ensure that the Pledge of the Equity Interest shall be registered with the AIC as soon as possible after submission for filing.

3.2 During the Term of Pledge, in the event Pledgor and/or Party C fails to perform the Contract Obligations or pay Secured Indebtedness, Pledgee shall have the right, but not the obligation, to exercise the Pledge in accordance with the provisions of this Agreement.

4. Custody of Records for Equity Interest subject to Pledge

4.1 During the Term of Pledge set forth in this Agreement, Pledgor shall deliver to Pledgee's custody the capital contribution certificate for the Equity Interest and the shareholders' register containing the Pledge within one week from the execution of this Agreement. Pledgee shall have custody of such documents during the entire Term of Pledge set forth in this Agreement.

5. Representations and Warranties of Pledgor and Party C

As of the execution date of this Agreement, Pledgor and Party C hereby jointly and severally represent and warrant to Pledgee that:

5.1 Pledgor is the sole legal and beneficial owner of the Equity Interest.

5.2 Pledgee shall have the right to dispose of and transfer the Equity Interest in accordance with the provisions set forth in this Agreement.

5.3 Except for the Pledge, Pledgor has not placed any security interest, collateral or other encumbrance on the Equity Interest.

5.4 Pledgor and Party C have obtained any and all approvals and consents from applicable government authorities and third parties (if required) for execution, delivery and performance of this Agreement.

5.5 The execution, delivery and performance of this Agreement will not: (i) violate any relevant PRC laws; (ii) conflict with Party C's articles of association or other constitutional documents; (iii) result in any breach of or constitute any default under any contract or instrument to which it is a party or by which it is otherwise bound; (iv) result in any violation of any condition for the grant and/or maintenance of any permit or approval granted to any Party; or (v) cause any permit or approval granted to any Party to be suspended, cancelled or attached with additional conditions.

6. Covenants of Pledgor and Party C

6.1 During the term of this Agreement, Pledgor and Party C hereby jointly and severally covenant to the Pledgee:

6.1.1 Pledgor shall not transfer the Equity Interest, place or permit the existence of any security interest or other encumbrance on the Equity Interest or any portion thereof, without the prior written consent of Pledgee, except for the performance of the Transaction Documents;

6.1.2 Pledgor and Party C shall comply with the provisions of all laws and regulations applicable to the pledge of rights, and within five (5) days of receipt of any notice, order or recommendation issued or prepared by relevant competent authorities regarding the Pledge, shall present the aforementioned notice, order or recommendation to Pledgee, and shall comply with the aforementioned notice, order or recommendation or submit objections and representations with respect to the aforementioned matters upon Pledgee's reasonable request or upon consent of Pledgee;

6.1.3 Pledgor and Party C shall promptly notify Pledgee of any event or notice received by Pledgor that may have an impact on the Equity Interest or any portion thereof, as well as any event or notice received by Pledgor that may have an impact on any guarantees and other obligations of Pledgor arising out of this Agreement.

6.1.4 Party C shall complete the registration procedures for extension of the term of operation within three (3) months prior to the expiration of such term to maintain the validity of this Agreement.

6.2 Pledgor agrees that the rights acquired by Pledgee in accordance with this Agreement with respect to the Pledge shall not be interrupted or harmed by Pledgor or any heirs or representatives of Pledgor or any other persons through any legal proceedings.

6.3 To protect or perfect the security interest granted by this Agreement for the Contract Obligations and Secured Indebtedness, Pledgor hereby undertakes to execute in good faith and to cause other parties who have an interest in the Pledge to execute all certificates, agreements, deeds and/or covenants required by Pledgee. Pledgor also undertakes to perform and to cause other parties who have an interest in the Pledge to perform actions required by Pledgee, to facilitate the exercise by Pledgee of its rights and authority granted thereto by this Agreement, and to enter into all relevant documents regarding ownership of Equity Interest with Pledgee or designee(s) of Pledgee (natural persons/legal persons). Pledgor undertakes to provide Pledgee within a reasonable time with all notices, orders and decisions regarding the Pledge that are required by Pledgee.

6.4 Pledgor hereby undertakes to comply with and perform all guarantees, promises, agreements, representations and conditions under this Agreement. In the event of failure or partial performance of its guarantees, promises, agreements, representations and conditions, Pledgor shall indemnify Pledgee for all losses resulting therefrom.

7. Event of Breach

7.1 The following circumstances shall be deemed Event of Default:

7.1.1 Pledgor's any breach to any obligations under the Transaction Documents and/or this Agreement.

7.1.2 Party C's any breach to any obligations under the Transaction Documents and/or this Agreement.

7.2 Upon notice or discovery of the occurrence of any circumstances or event that may lead to the aforementioned circumstances described in Section 7.1, Pledgor and Party C shall immediately notify Pledgee in writing accordingly.

7.3 Unless an Event of Default set forth in this Section 7.1 has been successfully resolved to Pledgee's satisfaction within twenty (20) days after the Pledgee and /or Party C delivers a notice to the Pledgor requesting ratification of such Event of Default, Pledgee may issue a Notice of Default to Pledgor in writing at any time thereafter, demanding the Pledgor to immediately exercise the Pledge in accordance with the provisions of Section 8 of this Agreement.

8. Exercise of Pledge

8.1 Pledgee shall issue a written Notice of Default to Pledgor when it exercises the Pledge.

8.2 Subject to the provisions of Section 7.3, Pledgee may exercise the right to enforce the Pledge at any time after the issuance of the Notice of Default in accordance with Section 8.1. Once Pledgee elects to enforce the Pledge, Pledgor shall cease to be entitled to any rights or interests associated with the Equity Interest.

8.3 After Pledgee issues a Notice of Default to Pledgor in accordance with Section 8.1, Pledgee may exercise any remedy measure under applicable PRC laws, the Transaction Documents and this Agreement, including but not limited to being paid in priority with the Equity Interest based on the monetary valuation that such Equity Interest is converted into or from the proceeds from auction or sale of the Equity Interest. The Pledgee shall not be liable for any loss incurred by its duly exercise of such rights and powers.

8.4 The proceeds from exercise of the Pledge by Pledgee shall be used to pay for tax and expenses incurred as result of disposing the Equity Interest and to perform Contract Obligations and pay the Secured Indebtedness to the Pledgee prior and in preference to any other payment. After the payment of the aforementioned amounts, the remaining balance shall be returned to Pledgor or any other person who have rights to such balance under applicable laws or be deposited to the local notary public office where Pledgor resides, with all expense incurred being borne by Pledgor. To the extent permitted under applicable PRC laws, Pledgor shall unconditionally donate the aforementioned proceeds to Pledgee or any other person designated by Pledgee.

8.5 Pledgee may exercise any remedy measure available simultaneously or in any order. Pledgee may exercise the right to being paid in priority with the Equity Interest based on the monetary valuation that such Equity Interest is converted into or from the proceeds from auction or sale of the Equity Interest under this Agreement, without exercising any other remedy measure first.

8.6 Pledgee is entitled to designate an attorney or other representatives to exercise the Pledge on its behalf, and Pledgor or Party C shall not raise any objection to such exercise.

8.7 When Pledgee disposes of the Pledge in accordance with this Agreement, Pledgor and Party C shall provide necessary assistance to enable Pledgee to enforce the Pledge in accordance with this Agreement.

9. Breach of Agreement

9.1 If Pledgor or Party C conducts any material breach of any term of this Agreement, Pledgee shall have right to terminate this Agreement and/or require Pledgor or Party C to indemnify all damages; this Section 9 shall not prejudice any other rights of Pledgee herein;

9.2 Pledgor or Party C shall not have any right to terminate this Agreement in any event unless otherwise required by applicable laws.

10. Assignment

10.1 Without Pledgee's prior written consent, Pledgor and Party C shall not have the right to assign or delegate their rights and obligations under this Agreement.

10.2 This Agreement shall be binding on Pledgor and his/her successors and permitted assigns, and shall be valid with respect to Pledgee and each of his/her successors and assigns.

10.3 At any time, Pledgee may assign any and all of its rights and obligations under the Transaction Documents and this Agreement to its designee(s), in which case the assigns shall have the rights and obligations of Pledgee under the Transaction Documents and this Agreement, as if it were the original party to the Transaction Documents and this Agreement.

10.4 In the event of change of Pledgee due to assignment, Pledgor and/or Party C shall, at the request of Pledgee, execute a new pledge agreement with the new pledgee on the same terms and conditions as this Agreement, and register the same with the relevant AIC.

10.5 Pledgor and Party C shall strictly abide by the provisions of this Agreement and other contracts jointly or separately executed by the Parties hereto or any of them, including the Transaction Documents, perform the obligations hereunder and thereunder, and refrain from any action/omission that may affect the effectiveness and enforceability thereof. Any remaining rights of Pledgor with respect to the Equity Interest pledged hereunder shall not be exercised by Pledgor except in accordance with the written instructions of Pledgee.

11. Termination

11.1 Upon the fulfillment of all Contract Obligations and the full payment of all Secured Indebtedness by Pledgor and Party C, Pledgee shall release the Pledge under this Agreement upon Pledgor's request as soon as reasonably practicable and shall assist Pledgor to de-register the Pledge from the shareholders' register of Party C and with relevant PRC local administration for industry and commerce.

11.2 The provisions under Sections 9, 13, 14 and 11.2 herein of this Agreement shall survive the expiration or termination of this Agreement.

12. Handling Fees and Other Expenses

All fees and out of pocket expenses relating to this Agreement, including but not limited to legal costs, costs of production, stamp tax and any other taxes and fees, shall be borne by Party C.

13. Confidentiality

The Parties acknowledge that the existence and the terms of this Agreement and any oral or written information exchanged between the Parties in connection with the preparation and performance this Agreement are regarded as confidential information. Each Party shall maintain confidentiality of all such confidential information, and without obtaining the written consent of the other Party, it shall not disclose any relevant confidential information to any third parties, except for the information that: (a) is or will be in the public domain (other than through the receiving Party's unauthorized disclosure); (b) is under the obligation to be disclosed pursuant to the applicable laws or regulations, rules of any stock exchange, or orders of the court or other government authorities; or (c) is required to be disclosed by any Party to its shareholders, directors, employees, legal counsels or financial advisors regarding the transaction contemplated hereunder, provided that such shareholders, directors, employees, legal counsels or financial advisors shall be bound by the confidentiality obligations similar to those set forth in this Section. Disclosure of any confidential information by the shareholders, director, employees of or agencies engaged by any Party shall be deemed disclosure of such confidential information by such Party and such Party shall be held liable for breach of this Agreement.

14. Governing Law and Resolution of Disputes

14.1 The execution, effectiveness, construction, performance, amendment and termination of this Agreement and the resolution of disputes hereunder shall be governed by the laws of China.

14.2 In the event of any dispute with respect to the construction and performance of this Agreement, the Parties shall first resolve the dispute through friendly negotiations. In the event the Parties fail to reach an agreement on the dispute within 30 days after either Party's request to the other Parties for resolution of the dispute through negotiations, either Party may submit the relevant dispute to the China International Economic and Trade Arbitration Commission for arbitration, in accordance with its Arbitration Rules. The arbitration shall be conducted in Beijing. The arbitration award shall be final and binding on all Parties.

14.3 Upon the occurrence of any disputes arising from the construction and performance of this Agreement or during the pending arbitration of any dispute, except for the matters under dispute, the Parties to this Agreement shall continue to exercise their respective rights under this Agreement and perform their respective obligations under this Agreement.

15. Notices

15.1 All notices and other communications required or permitted to be given pursuant to this Agreement shall be delivered personally or sent by registered mail, postage prepaid, by a commercial courier service or by facsimile transmission to the address of such party set forth below. A confirmation copy of each notice shall also be sent by E-mail. The dates on which notices shall be deemed to have been effectively given shall be determined as follows:

15.2 Notices given by personal delivery, by courier service or by registered mail, postage prepaid, shall be deemed effectively given on the date of delivery or refusal at the address specified for notices.

15.3 Notices given by facsimile transmission shall be deemed effectively given on the date of successful transmission (as evidenced by an automatically generated confirmation of transmission).

15.4 For the purpose of notices, the addresses of the Parties are as follows:

Party A: **Yiren Heng Ye Technology Development (Beijing) Co., Ltd.**
Address: 10/F, Building B, Jindi Center, 91 Jianguo Road, Chaoyang District, Beijing
Attn: Dennis Cong
Phone:
Email:

Party B: **Yan Tian**
Address:
Phone:
Email:

Party C: CreditEase Puhui Information Consultant (Beijing) Co., Ltd.
Address: Floor 3, Building A, Wentelai Center, 1 West Dawang Road, Chaoyang District, Beijing
Attn: Ning Tang
Phone:
Email:

15.5 Any Party may at any time change its address for notices by a notice delivered to the other Parties in accordance with the terms hereof.

16. Severability

In the event that one or several of the provisions of this Contract are found to be invalid, illegal or unenforceable in any aspect in accordance with any laws or regulations, the validity, legality or enforceability of the remaining provisions of this Contract shall not be affected or compromised in any respect. The Parties shall strive in good faith to replace such invalid, illegal or unenforceable provisions with effective provisions that accomplish to the greatest extent permitted by law and the intentions of the Parties, and the economic effect of such effective provisions shall be as close as possible to the economic effect of those invalid, illegal or unenforceable provisions.

17. Attachments

The attachments set forth herein shall be an integral part of this Agreement.

18. Effectiveness

18.1 This Agreement shall become effective upon execution by the Parties.

18.2 Any amendments, changes and supplements to this Agreement shall be in writing and shall become effective upon completion of the governmental filing procedures (if applicable) after the affixation of the signatures or seals of the Parties.

19. **Language and Counterparts**

This Agreement is written in Chinese and English in four copies. Pledgor, Pledgee and Party C shall hold one copy respectively and the other copy shall be used for registration. In case of any discrepancy between the Chinese version and the English version, the Chinese version shall prevail.

The Remainder of this page is intentionally left blank

IN WITNESS WHEREOF, the Parties have caused their authorized representatives to execute this Equity Interest Pledge Agreement as of the date first above written.

Party A: **Yiren Heng Ye Technology Development (Beijing) Co., Ltd. (Seal)**

By: /s/ Ning Tang (Company seal affixed)
Name: Ning Tang
Title: Legal Representative

Party B: **Yan Tian**

By: /s/ Yan Tian

Party C: **CreditEase Puhui Information Consultant (Beijing) Co., Ltd. (Seal)**

By: /s/ Ning Tang (Company seal affixed)
Name: Ning Tang
Title: Legal Representative

Attachments:

1. Shareholders' Register of Party C
2. The Capital Contribution Certificate for Party C
3. Exclusive Business Cooperation Agreement
4. Exclusive Option Agreement
5. Loan Agreement
6. Power of Attorney

Exhibit 4.24

Power of Attorney

I, Ning Tang, a Chinese citizen with Chinese Identification Card No.: , and a holder of 95% of the entire registered capital in CreditEase Puhui Information Consultant (Beijing) Co., Ltd. ("Pu Hui") as of the date when the Power of Attorney is executed, hereby irrevocably authorize Yiren Heng Ye Technology (Beijing) Co., Ltd. ("WFOE") to exercise the following rights relating to all equity interests held by me now and in the future in Pu Hui ("My Shareholding") during the term of this Power of Attorney:

WFOE is hereby authorized to act on behalf of myself as my exclusive agent and attorney with respect to all matters concerning My Shareholding, including without limitation to: 1) attending shareholders' meetings of Pu Hui; 2) exercising all the shareholder's rights and shareholder's voting rights I am entitled to under the laws of China and Pu Hui's Articles of Association, including but not limited to the sale or transfer or pledge or disposition of My Shareholding in part or in whole; and 3) designate and appoint on behalf of myself the legal representative, the directors, supervisors, the chief executive officer and other senior management members of Pu Hui.

Without limiting the generality of the powers granted hereunder, WFOE shall have the power and authority to, on behalf of myself, execute all the documents I shall sign as stipulated in the Exclusive Option Agreement entered into by and among me, WFOE and Pu Hui on March 25, 2019 and the Equity Pledge Agreement entered into by and among me, WFOE and Pu Hui on March 25, 2019 (including any modification, amendment and restatement thereto, collectively the "Transaction Documents"), and perform the terms of the Transaction Documents.

All the actions associated with My Shareholding conducted by WFOE shall be deemed as my own actions, and all the documents related to My Shareholding executed by WFOE shall be deemed to be executed by me. I hereby acknowledge and ratify those actions and/or documents by WFOE.

WFOE is entitled to re-authorize or assign its rights related to the aforesaid matters to any other person or entity at its own discretion and without giving prior notice to me or obtaining my consent. If required by PRC laws, WFOE shall designate a PRC citizen to exercise the aforementioned rights.

During the period that I am a shareholder of Pu Hui, this Power of Attorney shall be irrevocable and continuously effective and valid from the date of execution of this Power of Attorney.

During the term of this Power of Attorney, I hereby waive all the rights associated with My Shareholding, which have been authorized to WFOE through this Power of Attorney, and shall not exercise such rights by myself.

This Power of Attorney is written in Chinese and English. In case of any discrepancy between the Chinese version and the English version, the Chinese version shall prevail.

This Power of Attorney is signed on March 25, 2019.

Ning Tang

By: /s/ Ning Tang

Accepted by

Yiren Heng Ye Technology Development (Beijing) Co., Ltd. (Seal)

By: /s/ Ning Tang (Company seal affixed)
Name: Ning Tang
Title: Legal Representative

Acknowledged by:

CreditEase Puhui Information Consultant (Beijing) Co., Ltd. (Seal)

By: /s/ Ning Tang (Company seal affixed)
Name: Ning Tang
Title: Legal Representative

Power of Attorney

I, Yan Tian, a Chinese citizen with Chinese Identification Card No.: , and a holder of 5% of the entire registered capital in CreditEase Puhui Information Consultant (Beijing) Co., Ltd. ("Pu Hui") as of the date when the Power of Attorney is executed, hereby irrevocably authorize Yiren Heng Ye Technology Development (Beijing) Co., Ltd. ("WFOE") to exercise the following rights relating to all equity interests held by me now and in the future in Pu Hui ("My Shareholding") during the term of this Power of Attorney:

WFOE is hereby authorized to act on behalf of myself as my exclusive agent and attorney with respect to all matters concerning My Shareholding, including without limitation to: 1) attending shareholders' meetings of Pu Hui; 2) exercising all the shareholder's rights and shareholder's voting rights I am entitled to under the laws of China and Pu Hui's Articles of Association, including but not limited to the sale or transfer or pledge or disposition of My Shareholding in part or in whole; and 3) designate and appoint on behalf of myself the legal representative, the directors, supervisors, the chief executive officer and other senior management members of Pu Hui.

Without limiting the generality of the powers granted hereunder, WFOE shall have the power and authority to, on behalf of myself, execute all the documents I shall sign as stipulated in the Exclusive Option Agreement entered into by and among me, WFOE and Pu Hui on March 25, 2019 and the Equity Pledge Agreement entered into by and among me, WFOE and Pu Hui on March 25, 2019 (including any modification, amendment and restatement thereto, collectively the "Transaction Documents"), and perform the terms of the Transaction Documents.

All the actions associated with My Shareholding conducted by WFOE shall be deemed as my own actions, and all the documents related to My Shareholding executed by WFOE shall be deemed to be executed by me. I hereby acknowledge and ratify those actions and/or documents by WFOE.

WFOE is entitled to re-authorize or assign its rights related to the aforesaid matters to any other person or entity at its own discretion and without giving prior notice to me or obtaining my consent. If required by PRC laws, WFOE shall designate a PRC citizen to exercise the aforementioned rights.

During the period that I am a shareholder of Pu Hui, this Power of Attorney shall be irrevocable and continuously effective and valid from the date of execution of this Power of Attorney.

During the term of this Power of Attorney, I hereby waive all the rights associated with My Shareholding, which have been authorized to WFOE through this Power of Attorney, and shall not exercise such rights by myself.

This Power of Attorney is written in Chinese and English. In case of any discrepancy between the Chinese version and the English version, the Chinese version shall prevail.

This Power of Attorney is signed on March 25, 2019.

Yan Tian

By: /s/ Yan Tian

Accepted by

Yiren Heng Ye Technology Development (Beijing) Co., Ltd. (Seal)

By: /s/ Ning Tang (Company seal affixed)
Name: Ning Tang
Title: Legal Representative

Acknowledged by:

CreditEase Puhui Information Consultant (Beijing) Co., Ltd. (Seal)

By: /s/ Ning Tang (Company seal affixed)
Name: Ning Tang
Title: Legal Representative

Exhibit 4.25

Exclusive Business Cooperation Agreement

This Exclusive Business Cooperation Agreement (this "Agreement") is made and entered into by and between the following parties on March 25, 2019 in Beijing, the People's Republic of China ("China" or the "PRC").

Party A: Yiren Heng Ye Technology Development (Beijing) Co., Ltd.

Address: Room 1018, Floor 10, Building 9, Yard No. 91, Jianguo Street, Chaoyang District, Beijing

Party B: CreditEase Puhui Information Consultant (Beijing) Co., Ltd.

Address: Floor 11, Building 1, West Dawang Street, Chaoyang District, Beijing

Each of Party A and Party B shall be hereinafter referred to as a "Party" respectively, and as the "Parties" collectively.

Whereas,

1. Party A is a wholly foreign owned enterprise established in China, and has the necessary resources to provide technical and consulting services;

2. Party B is a company established in China with exclusively domestic capital and is permitted to engage in economic trade consulting, financial consulting, enterprise management consulting, outsourcing services regarding financial information technology, financial business process and financial knowledge process under authorization of financial institutions, marketing research, software development, data processing, technology development, promotion, transferring, consulting and service by relevant PRC government authorities. The businesses conducted by Party B currently and any time during the term of this Agreement are collectively referred to as the "Principal Business";

3. Party A is willing to provide Party B with technical support, consulting services and other services on exclusive basis in relation to the Principal Business during the term of this Agreement, utilizing its advantages in technology, human resources, and information, and Party B is willing to accept such services provided by Party A or Party A's designee(s), each on the terms set forth herein.

Now, therefore, through mutual discussion, the Parties have reached the following agreements:

1. **Services Provided by Party A**

1.1 Party B hereby appoints Party A as Party B's exclusive services provider to provide Party B with comprehensive technical support, consulting services and other services during the term of this Agreement, in accordance with the terms and conditions of this Agreement, including but not limited to the follows:

(1) Licensing Party B to use any software legally owned by Party A;

(2) Development, maintenance and update of software involved in Party B's business;

(3) Design, installation, daily management, maintenance and updating of network system, hardware and database design;

(4) Technical support and training for employees of Party B;

(5) Assisting Party B in consultancy, collection and research of technology and market information (excluding market research business that wholly foreign-owned enterprises are prohibited from conducting under PRC law);

(6) Providing business management consultation for Party B;

(7) Providing marketing and promotion services for Party B;

(8) Providing customer order management and customer services for Party B;

(9) Leasing of equipments or properties; and

(10) Other services requested by Party B from time to time to the extent permitted under PRC law.

1.2 Party B agrees to accept all the services provided by Party A. Party B further agrees that unless with Party A's prior written consent, during the term of this Agreement, Party B shall not directly or indirectly accept the same or any similar services provided by any third party and shall not establish similar corporation relationship with any third party regarding the matters contemplated by this Agreement. Party A may designate other parties, who may enter into certain agreements described in Section 1.3 with Party B, to provide Party B with the services under this Agreement. For the purpose of this Agreement, Party A and other parties designated by Party A may be respectively referred to as a "Service Provider," or collectively as "Service Providers."

1.3 Service Providing Methodology

1.3.1 Party A and Party B agree that during the term of this Agreement, where necessary, Party B may enter into further service agreements with Party A or any other party designated by Party A, which shall provide the specific contents, manner, personnel, and fees for the specific services.

1.3.2 To fulfill this Agreement, Party A and Party B agree that during the term of this Agreement, where necessary, Party B may enter into equipment or property leases with Party A or any other party designated by Party A which shall permit Party B to use Party A's relevant equipment or property based on the needs of the business of Party B.

1.3.3 Party B hereby grants to Party A an irrevocable and exclusive option to purchase from Party B, at Party A's sole discretion, any or all of the assets and business of Party B, to the extent permitted under PRC law, at the lowest purchase price permitted by PRC law. The Parties shall then enter into a separate assets or business transfer agreement, specifying the terms and conditions of the transfer of the assets.

2. **The Calculation and Payment of the Service Fees**

2.1 The fees payable by Party B to Service Providers during the term of this Agreement shall be calculated as follows:

2.1.1 Party B shall pay service fee to Party A or to Service Providers as instructed by Party A in each month. The service fee for each month shall consist of management fee and fee for services provided, which shall be determined or adjusted (if necessary) by the Party A by considering the following factors. Party B shall accept such determination and adjustments.

(1) Complexity and difficulty of the services provided by Party A;

(2) Title of and time consumed by employees of the Service Provider providing the services;

(3) Contents and value of the services provided by Party A;

(4) Market price of the same type of services;

(5) Operation conditions of the Party B.

2.1.2 If a Service Provider transfers technology to Party B or develops software or other technology as entrusted by Party B or leases equipments or properties to Party B, the technology transfer price, development fees or rent shall be determined by Party A or the Service Provider as instructed by Party A based on the actual situations.

3. **Intellectual Property Rights and Confidentiality Clauses**

3.1 Party A shall have exclusive and proprietary ownership, rights and interests in any and all intellectual properties arising out of or created during the performance of this Agreement, including but not limited to copyrights, patents, patent applications, software, technical secrets, trade secrets and others. Party B shall execute all appropriate documents, take all appropriate actions, submit all filings and/or applications, render all appropriate assistance and otherwise conduct whatever is necessary as deemed by Party A at its sole discretion for the purposes of vesting any ownership, right or interest of any such intellectual property rights in Party A, and/or perfecting the protections for any such intellectual property rights in Party A.

3.2 The Parties acknowledge that the existence and the terms of this Agreement and any oral or written information exchanged between the Parties in connection with the preparation and performance of this Agreement are regarded as confidential information. Each Party shall maintain confidentiality of all such confidential information, and without obtaining the written consent of the other Party, it shall not disclose any relevant confidential information to any third party, except for the information that: (a) is or will be in the public domain (other than through the receiving Party's unauthorized disclosure); (b) is under the obligation to be disclosed pursuant to the applicable laws or regulations, rules of any stock exchange, or orders of the court or other government authorities; or (c) is required to be disclosed by any Party to its shareholders, directors, employees, legal counsels or financial advisors regarding the transaction contemplated hereunder, provided that such shareholders, directors, employees, legal counsels or financial advisors shall be bound by the confidentiality obligations similar to those set forth in this Section. Disclosure of any confidential information by the shareholders, director, employees of or agencies engaged by any Party shall be deemed disclosure of such confidential information by such Party and such Party shall be held liable for breach of this Agreement.

4. **Representations and Warranties**

4.1 Party A hereby represents, warrants and covenants as follows:

4.1.1 Party A is a wholly foreign owned enterprise legally established and validly existing in accordance with the laws of China; Party A or the service providers designated by Party A will obtain all government permits and licenses for providing the service under this Agreement before providing such services.

4.1.2 Party A has taken all necessary corporate actions, obtained all necessary authorizations as well as all consents and approvals from third parties and government agencies (if required) for the execution, delivery and performance of this Agreement. Party A's execution, delivery and performance of this Agreement do not violate any explicit requirements under any law or regulation.

4.1.3 This Agreement constitutes Party A's legal, valid and binding obligations, enforceable against it in accordance with its terms.

4.2 Party B hereby represents, warrants and covenants as follows:

4.2.1 Party B is a company legally established and validly existing in accordance with the laws of China and has obtained and will maintain all permits and licenses for engaging in the Principal Business in a timely manner.

4.2.2 Party B has taken all necessary corporate actions, obtained all necessary authorizations as well as all consents and approvals from third parties and government agencies (if required) for the execution, delivery and performance of this Agreement. Party B's execution, delivery and performance of this Agreement do not violate any explicit requirements under any law or regulation.

4.2.3 This Agreement constitutes Party B's legal, valid and binding obligations, and shall be enforceable against it in accordance with its terms.

5. **Term of Agreement**

5.1 This Agreement shall become effective upon execution by the Parties. Unless terminated in accordance with the provisions of this Agreement or terminated in writing by Party A, this Agreement shall remain effective.

5.2 During the term of this Agreement, each Party shall renew its operation term prior to the expiration thereof so as to enable this Agreement to remain effective. This Agreement shall be terminated upon the expiration of the operation term of a Party if the application for renewal of its operation term is not approved by relevant government authorities.

5.3 The rights and obligations of the Parties under Sections 3, 6, 7 and this Section 5.3 shall survive the termination of this Agreement.

6. **Governing Law and Resolution of Disputes**

6.1 The execution, effectiveness, construction, performance, amendment and termination of this Agreement and the resolution of disputes hereunder shall be governed by the laws of China.

6.2 In the event of any dispute with respect to the construction and performance of this Agreement, the Parties shall first resolve the dispute through friendly negotiations. In the event the Parties fail to reach an agreement on the dispute within 30 days after either Party's request to the other Party for resolution of the dispute through negotiations, either Party may submit the relevant dispute to the China International Economic and Trade Arbitration Commission for arbitration, in accordance with its arbitration rules. The arbitration shall be conducted in Beijing. The arbitration award shall be final and binding on both Parties.

6.3 Upon the occurrence of any disputes arising from the construction and performance of this Agreement or during the pending arbitration of any dispute, except for the matters under dispute, the Parties shall continue to exercise their respective rights under this Agreement and perform their respective obligations under this Agreement.

7. **Breach of Agreement and Indemnification**

7.1 If Party B conducts any material breach of any term of this Agreement, Party A shall have right to terminate this Agreement and/or require Party B to indemnify all damages; this Section 7.1 shall not prejudice any other rights of Party A herein.

7.2 Unless otherwise required by applicable laws, Party B shall not have any right to terminate this Agreement in any event.

7.3 Party B shall indemnify and hold harmless Party A from any losses, injuries, obligations or expenses caused by any lawsuit, claims or other demands against Party A arising from or caused by the services provided by Party A to Party B pursuant this Agreement, except where such losses, injuries, obligations or expenses arise from the gross negligence or willful misconduct of Party A.

8. **Force Majeure**

8.1 In the case of any force majeure events ("Force Majeure") such as earthquake, typhoon, flood, fire, flu, war, strikes or any other events that cannot be predicted and are unpreventable and unavoidable by the affected Party, which directly or indirectly causes the failure of either Party to perform or completely perform this Agreement, then the Party affected by such Force Majeure shall give the other Party written notices without any delay, and shall provide details of such event within 15 days after sending out such notice, explaining the reasons for such failure of, partial or delay of performance.

8.2 If such Party claiming Force Majeure fails to notify the other Party and furnish it with proof pursuant to the above provision, such Party shall not be excused from the non-performance of its obligations hereunder. The Party so affected by the event of Force Majeure shall use reasonable efforts to minimize the consequences of such Force Majeure and to promptly resume performance hereunder whenever the causes of such excuse are cured. Should the Party so affected by the event of Force Majeure fail to resume performance hereunder when the causes of such excuse are cured, such Party shall be liable to the other Party.

8.3 In the event of Force Majeure, the Parties shall immediately consult with each other to find an equitable solution and shall use all reasonable endeavours to minimize the consequences of such Force Majeure.

9. **Notices**

9.1 All notices and other communications required or permitted to be given pursuant to this Agreement shall be delivered personally or sent by registered mail, postage prepaid, by a commercial courier service or by facsimile transmission to the address of such Party set forth below. A confirmation copy of each notice shall also be sent by email. The dates on which notices shall be deemed to have been effectively given shall be determined as follows:

9.1.1 Notices given by personal delivery, by courier service or by registered mail, postage prepaid, shall be deemed effectively given on the date of receipt or refusal at the address specified for notices.

9.1.2 Notices given by facsimile transmission shall be deemed effectively given on the date of successful transmission (as evidenced by an automatically generated confirmation of transmission).

9.2 For the purpose of notices, the addresses of the Parties are as follows:

Party A: **Yiren Heng Ye Technology Development (Beijing) Co., Ltd.**

Address: 10/F, Building B, Jindi Center, 91 Jianguo Road, Chaoyang District, Beijing

Attn: Dennis Cong

Phone:

Email:

Party B: **CreditEase Puhui Information Consultant (Beijing) Co., Ltd.**

Address: Floor 3, Building A, Wentelai Center, 1 West Dawang Road, Chaoyang District, Beijing

Attn: Ning Tang

Phone:

Email:

9.3 Any Party may at any time change its address for notices by a notice delivered to the other Party in accordance with the terms hereof.

10. **Assignment**

10.1 Without Party A's prior written consent, Party B shall not assign its rights and obligations under this Agreement to any third party.

10.2 Party B agrees that Party A may assign its obligations and rights under this Agreement to any third party and in case of such assignment, Party A is only required to give written notice to Party B and does not need any consent from Party B for such assignment.

11. **Severability**

In the event that one or several of the provisions of this Agreement are found to be invalid, illegal or unenforceable in any aspect in accordance with any laws or regulations, the validity, legality or enforceability of the remaining provisions of this Agreement shall not be affected or compromised in any aspect. The Parties shall negotiate in good faith to replace such invalid, illegal or unenforceable provisions with effective provisions that accomplish to the greatest extent permitted by law and the intentions of the Parties, and the economic effect of such effective provisions shall be as close as possible to the economic effect of those invalid, illegal or unenforceable provisions.

12. **Amendments and Supplements**

Any amendments and supplements to this Agreement shall be in writing. The amendment agreements and supplementary agreements that have been signed by the Parties and relate to this Agreement shall be an integral part of this Agreement and shall have the same legal validity as this Agreement.

13. **Language and Counterparts**

This Agreement is written in both Chinese and English language in two copies, each Party having one copy. In case of any discrepancy between the Chinese version and the English version, the Chinese version shall prevail.

IN WITNESS WHEREOF, the Parties have caused their authorized representatives to execute this Exclusive Business Cooperation Agreement as of the date first above written.

Party A: Yiren Heng Ye Technology Development (Beijing) Co., Ltd.

By: /s/ Ning Tang (Company seal affixed)
Name: Ning Tang
Title: Legal Representative

Party B: CreditEase Puhui Information Consultant (Beijing) Co., Ltd.

By: /s/ Ning Tang (Company seal affixed)
Name: Ning Tang
Title: Legal Representative

Exhibit 4.26

Exclusive Option Agreement

This Exclusive Option Agreement (this "Agreement") is executed by and among the following Parties as of March 25, 2019 in Beijing, the People's Republic of China ("China" or the "PRC"):

Party A: **Yiren Heng Ye Technology Development (Beijing) Co., Ltd.**, a wholly foreign owned enterprise, organized and existing under the laws of the PRC, with its address at Room 1018, Floor 10, Building 9, Yard No. 91, Jianguo Street, Chaoyang District, Beijing;

Party B: **Ning Tang**, a Chinese citizen with Identification No.: ; and

Party C: **CreditEase Puhui Information Consultant (Beijing) Co., Ltd.**, a limited liability company organized and existing under the laws of the PRC, with its address at Floor 11, Building 1, West Dawang Street, Chaoyang District, Beijing.

In this Agreement, each of Party A, Party B and Party C shall be referred to as a "Party" respectively, and they shall be collectively referred to as the "Parties".

Whereas:

1. Party B is a shareholder of Party C and as of the date hereof holds 95% of equity interests of Party C, representing RMB28,500,000 in the registered capital of Party C.

2. Party A and Party B executed a Loan Agreement ("Loan Agreement") on March 25, 2019, according to which Party A agreed to provide Party B with a loan in amount of RMB 28,500,000, to be used for the purpose of subscribing the registered capital of Party C.

3. Party B agrees to grant Party A an exclusive right through this Agreement, and Party A agrees to accept such exclusive right to purchase all or part equity interest held by Party B in Party C.

Now therefore, upon mutual discussion and negotiation, the Parties have reached the following agreement:

1. Sale and Purchase of Equity Interest

1.1 Option Granted

In consideration of the payment of RMB10 by Party A, the receipt and adequacy of which is hereby acknowledged by Party B, Party B hereby irrevocably grants Party A an irrevocable and exclusive right to purchase, or designate one or more persons (each, a "Designee") to purchase the equity interests in Party C then held by Party B once or at multiple times at any time in part or in whole at Party A's sole and absolute discretion to the extent permitted by Chinese laws and at the price described in Section 1.3 herein (such right being the "Equity Interest Purchase Option"). Except for Party A and the Designee(s), no other person shall be entitled to the Equity Interest Purchase Option or other rights with respect to the equity interests of Party B. Party C hereby agrees to the grant by Party B of the Equity Interest Purchase Option to Party A. The term "person" as used herein shall refer to individuals, corporations, partnerships, partners, enterprises, trusts or non-corporate organizations.

1.2 Steps for Exercise of Equity Interest Purchase Option

Subject to the provisions of the laws and regulations of China, Party A may exercise the Equity Interest Purchase Option by issuing a written notice to Party B (the "Equity Interest Purchase Option Notice"), specifying: (a) Party A's or the Designee's decision to exercise the Equity Interest Purchase Option; (b) the portion of equity interests to be purchased by Party A or the Designee from Party B (the "Optioned Interests"); and (c) the date for purchasing the Optioned Interests or the date for transfer of the Optioned Interests.

1.3 Equity Interest Purchase Price

The purchase price of all equity interests held by Party B in Party C purchased by Party A by exercising the Equity Interest Purchase Option shall equal to the amount of registered capital contributed by Party B in Party C for such Optioned Interests (or such price may be as set forth in the equity transfer agreement to be executed between Party A (or the Designee) and Party B separately, provided that such price does not violate PRC laws and regulations and is acceptable to Party A); if Party A exercises the Equity Interest Purchase Option to purchase part of the equity interests held by Party B in Party C, the purchase price shall be calculated pro rata. If PRC law requires a minimum price higher than aforementioned price when Party A exercises Equity Interest Purchase Option, the minimum price regulated by PRC law shall be the purchase price (collectively, the "Equity Interest Purchase Price").

1.4 Transfer of Optioned Interests

For each exercise of the Equity Interest Purchase Option:

1.4.1 Party B shall cause Party C to promptly convene a shareholders' meeting, at which a resolution shall be adopted approving Party B's transfer of the Optioned Interests to Party A and/or the Designee(s);

1.4.2 Party B shall obtain written statements from the other shareholders of Party C giving consent to the transfer of the equity interest to Party A and/or the Designee(s) and waiving any right of first refusal related thereto;

1.4.3 Party B shall execute an equity interest transfer contract with respect to each transfer with Party A and/or each Designee (whichever is applicable), in accordance with the provisions of this Agreement and the Equity Interest Purchase Option Notice regarding the Optioned Interests;

1.4.4 The relevant Parties shall execute all other necessary contracts, agreements or documents, obtain all necessary government licenses and permits and take all necessary actions to transfer valid ownership of the Optioned Interests to Party A and/or the Designee(s), unencumbered by any security interests, and cause Party A and/or the Designee(s) to become the registered owner(s) of the Optioned Interests. For the purpose of this Section and this Agreement, "security interests" shall include securities, mortgages, third party's rights or interests, any stock options, acquisition right, right of first refusal, right to offset, ownership retention or other security arrangements, but shall be deemed to exclude any security interest created by this Agreement, Party B's Equity Interest Pledge Agreement and Party B's Power of Attorney. "Party B's Equity Interest Pledge Agreement" as used in this Agreement shall refer to the Interest Pledge Agreement executed by and among Party A, Party B and Party C on the date hereof and any modification, amendment and restatement thereto. "Party B's Power of Attorney" as used in this Agreement shall refer to the Power of Attorney executed by Party B on the date hereof granting Party A with power of attorney and any modification, amendment and restatement thereto.

2. Covenants

2.1 Covenants regarding Party C

Party B (as a shareholder of Party C) and Party C hereby covenant as follows:

2.1.1 Without the prior written consent of Party A, they shall not in any manner supplement, change or amend the articles of association of Party C, increase or decrease its registered capital, or change its structure of registered capital in other manners;

2.1.2 They shall maintain Party C's corporate existence in accordance with good financial and business standards and practices, obtain and maintain all necessary government licenses and permits by prudently and effectively operating its business and handling its affairs;

2.1.3 Without the prior written consent of Party A, they shall not at any time following the date hereof, sell, transfer, mortgage or dispose of in any manner any assets of Party C or legal or beneficial interest in the material business or revenues of Party C, or allow the encumbrance thereon of any security interest;

2.1.4 Without the prior written consent of Party A, they shall not incur, inherit, guarantee or suffer the existence of any debt, except for payables incurred in the ordinary course of business other than through loans;

2.1.5 They shall always operate all of Party C's businesses in the ordinary course of business to maintain the asset value of Party C and refrain from any action/omission that may affect Party C's operating status and asset value;

2.1.6 Without the prior written consent of Party A, they shall not cause Party C to execute any major contract, except the contracts in the ordinary course of business (for purpose of this subsection, a contract with a price exceeding RMB100,000 shall be deemed a major contract);

2.1.7 Without the prior written consent of Party A, they shall not cause Party C to provide any person with any loan or credit;

2.1.8 They shall provide Party A with information on Party C's business operations and financial condition at Party A's request;

2.1.9 If requested by Party A, they shall procure and maintain insurance in respect of Party C's assets and business from an insurance carrier acceptable to Party A, at an amount and type of coverage typical for companies that operate similar businesses;

2.1.10 Without the prior written consent of Party A, they shall not cause or permit Party C to merge, consolidate with, acquire or invest in any person;

2.1.11 They shall immediately notify Party A of the occurrence or possible occurrence of any litigation, arbitration or administrative proceedings relating to Party C's assets, business or revenue;

2.1.12 To maintain the ownership by Party C of all of its assets, they shall execute all necessary or appropriate documents, take all necessary or appropriate actions, file all necessary or appropriate complaints, and raise necessary or appropriate defenses against all claims;

2.1.13 Without the prior written consent of Party A, they shall ensure that Party C shall not in any manner distribute dividends to its shareholders, provided that upon Party A's written request, Party C shall immediately distribute all distributable profits to its shareholders; At the request of Party A, they shall appoint any person designated by Party A as the director or executive director of Party C;

2.1.14 Without Party A's prior written consent, they shall not engage in any business in competition with Party A or its affiliates; and

2.1.15 Unless otherwise required by PRC law, Party C shall not be dissolved or liquated without prior written consent by Party A.

2.2 Covenants of Party B

Party B hereby covenants as follows:

2.2.1 Without the prior written consent of Party A, Party B shall not sell, transfer, mortgage or dispose of in any other manner any legal or beneficial interest in the equity interests in Party C held by Party B, or allow the encumbrance thereon, except for the interest placed in accordance with Party B's Equity Interest Pledge Agreement and Party B's Power of Attorney;

2.2.2 Without the prior written consent of Party A, Party B shall cause the shareholders' meeting and/or the directors (or the executive director) of Party C not to approve any sale, transfer, mortgage or disposition in any other manner of any legal or beneficial interest in the equity interests in Party C held by Party B, or allow the encumbrance thereon of any security interest, except for the interest placed in accordance with Party B's Equity Interest Pledge Agreement and Party B's Power of Attorney;

2.2.3 Without the prior written consent of Party A, Party B shall cause the shareholders' meeting or the directors (or the executive director) of Party C not to approve the merger or consolidation with any person, or the acquisition of or investment in any person;

2.2.4 Party B shall immediately notify Party A of the occurrence or possible occurrence of any litigation, arbitration or administrative proceedings relating to the equity interests in Party C held by Party B;

2.2.5 Party B shall cause the shareholders' meeting or the directors (or the executive director) of Party C to vote their approval of the transfer of the Optioned Interests as set forth in this Agreement and to take any and all other actions that may be requested by Party A;

2.2.6 To the extent necessary to maintain Party B's ownership in Party C, Party B shall execute all necessary or appropriate documents, take all necessary or appropriate actions, file all necessary or appropriate complaints, and raise necessary or appropriate defenses against all claims;

2.2.7 Party B shall appoint any designee of Party A as the director or the executive director of Party C, at the request of Party A;

2.2.8 Party B hereby waives its right of first of refusal to transfer of equity interest by any other shareholder of Party C to Party A (if any), and gives consent to execution by each other shareholder of Party C with Party A and Party C the exclusive option agreement, the equity interest pledge agreement and the power of attorney similar to this Agreement, Party B's Equity Interest Pledge Agreement and Party B's Power of Attorney and undertakes not to take any action in conflict with such documents executed by the other shareholders;

2.2.9 Party B shall promptly donate any profit, interest, dividend or proceeds of liquidation, or any proceeds from transferring its entire or a part of equity interest in Party C, to Party A or any other person designated by Party A to the extent permitted under applicable PRC laws; and

2.2.10 Party B shall strictly abide by the provisions of this Agreement and other contracts jointly or separately executed by and among Party B, Party C and Party A, perform the obligations hereunder and thereunder, and refrain from any action/omission that may affect the effectiveness and enforceability thereof. To the extent that Party B has any remaining rights with respect to the equity interests subject to this Agreement hereunder or under the Party B's Equity Interest Pledge Agreement or under the Party B's Power of Attorney, Party B shall not exercise such rights except in accordance with the written instructions of Party A.

3. Representations and Warranties

Party B and Party C hereby represent and warrant to Party A, jointly and severally, as of the date of this Agreement and each date of transfer of the Optioned Interests, that:

3.1 They have the power, capacity and authority to execute and deliver this Agreement and any equity interest transfer contracts to which they are parties concerning the Optioned Interests to be transferred thereunder (each, a "Transfer Contract"), and to perform their obligations under this Agreement and any Transfer Contracts. Party B and Party C agree to enter into Transfer Contracts consistent with the terms of this Agreement upon Party A's exercise of the Equity Interest Purchase Option. This Agreement and the Transfer Contracts to which they are parties constitute or will constitute their legal, valid and binding obligations and shall be enforceable against them in accordance with the provisions thereof;

3.2 Party B and Party C have obtained any and all approvals and consents from government authorities and third parties (if required) for execution, delivery and performance of this Agreement.

3.3 The execution and delivery of this Agreement or any Transfer Contracts and the obligations under this Agreement or any Transfer Contracts shall not: (i) cause any violation of any applicable laws of China; (ii) be inconsistent with the articles of association, bylaws or other organizational documents of Party C; (iii) cause the violation of any contracts or instruments to which they are a party or which are binding on them, or constitute any breach under any contracts or instruments to which they are a party or which are binding on them; (iv) cause any violation of any condition for the grant and/or continued effectiveness of any licenses or permits issued to either of them; or (v) cause the suspension or revocation of or imposition of additional conditions to any licenses or permits issued to either of them;

3.4 Party B has a good and merchantable title to the equity interests held by Party B in Party C. Except for Party B's Equity Interest Pledge Agreement and Party B's Power of Attorney, Party B has not placed any security interest on such equity interests;

3.5 Party C has a good and merchantable title to all of its assets, and has not placed any security interest on the aforementioned assets;

3.6 Party C does not have any outstanding debts, except for (i) debt incurred in the ordinary course of business; and (ii) debts disclosed to Party A for which Party A's written consent has been obtained.

3.7 Party C has complied with all applicable laws and regulations; and

3.8 There are no pending or threatened litigation, arbitration or administrative proceedings relating to the equity interests in Party C, assets of Party C or Party C.

4. Effective Date and Term

This Agreement shall become effective upon execution by the Parties, and remain effective until all equity interests held by Party B in Party C have been transferred or assigned to Party A and/or any other person designated by Party A in accordance with this Agreement.

5. Governing Law and Resolution of Disputes

5.1 Governing law

The execution, effectiveness, construction, performance, amendment and termination of this Agreement and the resolution of disputes hereunder shall be governed by the laws of PRC.

5.2 Methods of Resolution of Disputes

In the event of any dispute with respect to the construction and performance of this Agreement, the Parties shall first resolve the dispute through friendly negotiations. In the event the Parties fail to reach an agreement on the dispute within 30 days after either Party's request to the other Parties for resolution of the dispute through negotiations, either Party may submit the relevant dispute to the China International Economic and Trade Arbitration Commission for arbitration, in accordance with its arbitration rules. The arbitration shall be conducted in Beijing. The arbitration award shall be final and binding on all Parties.

6. Taxes and Fees

Each Party shall pay any and all transfer and registration tax, expenses and fees incurred thereby or levied thereon in accordance with the laws of China in connection with the preparation and execution of this Agreement and the Transfer Contracts, as well as the consummation of the transactions contemplated under this Agreement and the Transfer Contracts.

7. Notices

7.1 All notices and other communications required or permitted to be given pursuant to this Agreement shall be delivered personally or sent by registered mail, postage prepaid, by a commercial courier service or by facsimile transmission to the address of such Party set forth below. A confirmation copy of each notice shall also be sent by email. The dates on which notices shall be deemed to have been effectively given shall be determined as follows:

7.1.1 Notices given by personal delivery, by courier service or by registered mail, postage prepaid, shall be deemed effectively given on the date of receipt or refusal at the address specified for notices;

7.1.2 Notices given by facsimile transmission shall be deemed effectively given on the date of successful transmission (as evidenced by an automatically generated confirmation of transmission).

7.2 For the purpose of notices, the addresses of the Parties are as follows:

Party A: **Yiren Heng Ye Technology Development (Beijing) Co., Ltd.**
Address: 10/F, Building B, Jindi Center, 91 Jianguo Road, Chaoyang District, Beijing
Attn: Dennis Cong
Phone:
Email:

Party B: **Ning Tang**
Address:
Phone:
Email:

Party C: **CreditEase Puhui Information Consultant (Beijing) Co., Ltd.**
Address: Floor 3, Building A, Wentelai Center, 1 West Dawang Road, Chaoyang District, Beijing
Attn: Ning Tang
Phone:
Email:

7.3 Any Party may at any time change its address for notices by a notice delivered to the other Parties in accordance with the terms hereof.

8. Confidentiality

The Parties acknowledge that the existence and the terms of this Agreement, and any oral or written information exchanged between the Parties in connection with the preparation and performance this Agreement are regarded as confidential information. Each Party shall maintain confidentiality of all such confidential information, and without obtaining the written consent of other Parties, it shall not disclose any relevant confidential information to any third parties, except for the information that: (a) is or will be in the public domain (other than through the receiving Party's unauthorized disclosure); (b) is under the obligation to be disclosed pursuant to the applicable laws or regulations, rules of any stock exchange, or orders of the court or other government authorities; or (c) is required to be disclosed by any Party to its shareholders, directors, employees, legal counsels or financial advisors regarding the transaction contemplated hereunder, provided that such shareholders, directors, employees, legal counsels or financial advisors shall be bound by the confidentiality obligations similar to those set forth in this Section. Disclosure of any confidential information by the shareholders, director, employees of or agencies engaged by any Party shall be deemed disclosure of such confidential information by such Party and such Party shall be held liable for breach of this Agreement.

9. Further Warranties

The Parties agree to promptly execute documents that are reasonably required for or are conducive to the implementation of the provisions and purposes of this Agreement and take further actions that are reasonably required for or are conducive to the implementation of the provisions and purposes of this Agreement.

10. Breach of Agreement

10.1 If Party B or Party C conducts any material breach of any term of this Agreement, Party A shall have right to terminate this Agreement and/or require the Party B or Party C to compensate all damages; this Section 10 shall not prejudice any other rights of Party A herein;

10.2 Party B or Party C shall not have any right to terminate this Agreement in any event unless otherwise required by applicable laws.

11. Miscellaneous

11.1 Amendment, change and supplement

Any amendment, change and supplement to this Agreement shall require the execution of a written agreement by all of the Parties.

11.2 Entire agreement

Except for the amendments, supplements or changes in writing executed after the execution of this Agreement, this Agreement shall constitute the entire agreement reached by and among the Parties hereto with respect to the subject matter hereof, and shall supercede all prior oral and written consultations, representations and contracts reached with respect to the subject matter of this Agreement.

11.3 Headings

The headings of this Agreement are for convenience only, and shall not be used to interpret, explain or otherwise affect the meanings of the provisions of this Agreement.

11.4 Language

This Agreement is written in both Chinese and English language in three copies, each Party having one copy. In case of any discrepancy between the Chinese version and the English version, the Chinese version shall prevail.

11.5 Severability

In the event that one or several of the provisions of this Agreement are found to be invalid, illegal or unenforceable in any aspect in accordance with any laws or regulations, the validity, legality or enforceability of the remaining provisions of this Agreement shall not be affected or compromised in any respect. The Parties shall strive in good faith to replace such invalid, illegal or unenforceable provisions with effective provisions that accomplish to the greatest extent permitted by law and the intentions of the Parties, and the economic effect of such effective provisions shall be as close as possible to the economic effect of those invalid, illegal or unenforceable provisions.

11.6 Successors

This Agreement shall be binding on and shall inure to the interest of the respective successors of the Parties and the permitted assigns of such Parties.

11.7 Survival

11.7.1 Any obligations that occur or that are due as a result of this Agreement upon the expiration or early termination of this Agreement shall survive the expiration or early termination thereof.

11.7.2 The provisions of Sections 5, 8, 10 and this Section 11.7 shall survive the termination of this Agreement.

11.8 Waivers

Any Party may waive the terms and conditions of this Agreement, provided that such a waiver must be provided in writing and shall require the signatures of the Parties. No waiver by any Party in certain circumstances with respect to a breach by other Parties shall operate as a waiver by such a Party with respect to any similar breach in other circumstances.

IN WITNESS WHEREOF, the Parties have caused their authorized representatives to execute this Exclusive Option Agreement as of the date first above written.

Party A: **Yiren Heng Ye Technology Development (Beijing) Co., Ltd. (Seal)**

By: /s/ Ning Tang (Company seal affixed)
Name: Ning Tang
Title: Legal Representative

Party B: **Ning Tang**

By: /s/ Ning Tang

Party C: **CreditEase Puhui Information Consultant (Beijing) Co., Ltd. (Seal)**

By: /s/ Ning Tang (Company seal affixed)
Name: Ning Tang
Title: Legal Representative

Exclusive Option Agreement

This Exclusive Option Agreement (this "Agreement") is executed by and among the following Parties as of March 25, 2019 in Beijing, the People's Republic of China ("China" or the "PRC"):

Party A: **Yiren Heng Ye Technology Development (Beijing) Co., Ltd.**, a wholly foreign owned enterprise, organized and existing under the laws of the PRC, with its address at Room 1018, Floor 10, Building 9, Yard No. 91, Jianguo Street, Chaoyang District, Beijing;

Party B: **Yan Tian**, a Chinese citizen with Identification No.: ; and

Party C: **CreditEase Puhui Information Consultant (Beijing) Co., Ltd.**, a limited liability company organized and existing under the laws of the PRC, with its address at Floor 11, Building 1, West Dawang Street, Chaoyang District, Beijing.

In this Agreement, each of Party A, Party B and Party C shall be referred to as a "Party" respectively, and they shall be collectively referred to as the "Parties".

Whereas:

1. Party B is a shareholder of Party C and as of the date hereof holds 5% of equity interests of Party C, representing RMB1,500,000 in the registered capital of Party C.

2. Party A and Party B executed a Loan Agreement ("Loan Agreement") on March 25, 2019, according to which Party A agreed to provide Party B with a loan in amount of RMB 1,500,000, to be used for the purpose of subscribing the increased registered capital of Party C.

3. Party B agrees to grant Party A an exclusive right through this Agreement, and Party A agrees to accept such exclusive right to purchase all or part equity interest held by Party B in Party C.

Now therefore, upon mutual discussion and negotiation, the Parties have reached the following agreement:

1. Sale and Purchase of Equity Interest

1.1 Option Granted

In consideration of the payment of RMB10 by Party A, the receipt and adequacy of which is hereby acknowledged by Party B, Party B hereby irrevocably grants Party A an irrevocable and exclusive right to purchase, or designate one or more persons (each, a "Designee") to purchase the equity interests in Party C then held by Party B once or at multiple times at any time in part or in whole at Party A's sole and absolute discretion to the extent permitted by Chinese laws and at the price described in Section 1.3 herein (such right being the "Equity Interest Purchase Option"). Except for Party A and the Designee(s), no other person shall be entitled to the Equity Interest Purchase Option or other rights with respect to the equity interests of Party B. Party C hereby agrees to the grant by Party B of the Equity Interest Purchase Option to Party A. The term "person" as used herein shall refer to individuals, corporations, partnerships, partners, enterprises, trusts or non-corporate organizations.

1.2 Steps for Exercise of Equity Interest Purchase Option

Subject to the provisions of the laws and regulations of China, Party A may exercise the Equity Interest Purchase Option by issuing a written notice to Party B (the "Equity Interest Purchase Option Notice"), specifying: (a) Party A's or the Designee's decision to exercise the Equity Interest Purchase Option; (b) the portion of equity interests to be purchased by Party A or the Designee from Party B (the "Optioned Interests"); and (c) the date for purchasing the Optioned Interests or the date for transfer of the Optioned Interests.

1.3 Equity Interest Purchase Price

The purchase price of all equity interests held by Party B in Party C purchased by Party A by exercising the Equity Interest Purchase Option shall equal to the amount of registered capital contributed by Party B in Party C for such Optioned Interests (or such price may be as set forth in the equity transfer agreement to be executed between Party A (or the Designee) and Party B separately, provided that such price does not violate PRC laws and regulations and is acceptable to Party A); if Party A exercises the Equity Interest Purchase Option to purchase part of the equity interests held by Party B in Party C, the purchase price shall be calculated pro rata. If PRC law requires a minimum price higher than aforementioned price when Party A exercises Equity Interest Purchase Option, the minimum price regulated by PRC law shall be the purchase price (collectively, the "Equity Interest Purchase Price").

1.4 Transfer of Optioned Interests

For each exercise of the Equity Interest Purchase Option:

1.4.1 Party B shall cause Party C to promptly convene a shareholders' meeting, at which a resolution shall be adopted approving Party B's transfer of the Optioned Interests to Party A and/or the Designee(s);

1.4.2 Party B shall obtain written statements from the other shareholders of Party C giving consent to the transfer of the equity interest to Party A and/or the Designee(s) and waiving any right of first refusal related thereto;

1.4.3 Party B shall execute an equity interest transfer contract with respect to each transfer with Party A and/or each Designee (whichever is applicable), in accordance with the provisions of this Agreement and the Equity Interest Purchase Option Notice regarding the Optioned Interests;

1.4.4 The relevant Parties shall execute all other necessary contracts, agreements or documents, obtain all necessary government licenses and permits and take all necessary actions to transfer valid ownership of the Optioned Interests to Party A and/or the Designee(s), unencumbered by any security interests, and cause Party A and/or the Designee(s) to become the registered owner(s) of the Optioned Interests. For the purpose of this Section and this Agreement, "security interests" shall include securities, mortgages, third party's rights or interests, any stock options, acquisition right, right of first refusal, right to offset, ownership retention or other security arrangements, but shall be deemed to exclude any security interest created by this Agreement, Party B's Equity Interest Pledge Agreement and Party B's Power of Attorney. "Party B's Equity Interest Pledge Agreement" as used in this Agreement shall refer to the Interest Pledge Agreement executed by and among Party A, Party B and Party C on the date hereof and any modification, amendment and restatement thereto. "Party B's Power of Attorney" as used in this Agreement shall refer to the Power of Attorney executed by Party B on the date hereof granting Party A with power of attorney and any modification, amendment and restatement thereto.

2. Covenants

2.1 Covenants regarding Party C

Party B (as a shareholder of Party C) and Party C hereby covenant as follows:

2.1.1 Without the prior written consent of Party A, they shall not in any manner supplement, change or amend the articles of association of Party C, increase or decrease its registered capital, or change its structure of registered capital in other manners;

2.1.2 They shall maintain Party C's corporate existence in accordance with good financial and business standards and practices, obtain and maintain all necessary government licenses and permits by prudently and effectively operating its business and handling its affairs;

2.1.3 Without the prior written consent of Party A, they shall not at any time following the date hereof, sell, transfer, mortgage or dispose of in any manner any assets of Party C or legal or beneficial interest in the material business or revenues of Party C, or allow the encumbrance thereon of any security interest;

2.1.4 Without the prior written consent of Party A, they shall not incur, inherit, guarantee or suffer the existence of any debt, except for payables incurred in the ordinary course of business other than through loans;

2.1.5 They shall always operate all of Party C's businesses in the ordinary course of business to maintain the asset value of Party C and refrain from any action/omission that may affect Party C's operating status and asset value;

2.1.6 Without the prior written consent of Party A, they shall not cause Party C to execute any major contract, except the contracts in the ordinary course of business (for purpose of this subsection, a contract with a price exceeding RMB100,000 shall be deemed a major contract);

2.1.7 Without the prior written consent of Party A, they shall not cause Party C to provide any person with any loan or credit;

2.1.8 They shall provide Party A with information on Party C's business operations and financial condition at Party A's request;

2.1.9 If requested by Party A, they shall procure and maintain insurance in respect of Party C's assets and business from an insurance carrier acceptable to Party A, at an amount and type of coverage typical for companies that operate similar businesses;

2.1.10 Without the prior written consent of Party A, they shall not cause or permit Party C to merge, consolidate with, acquire or invest in any person;

2.1.11 They shall immediately notify Party A of the occurrence or possible occurrence of any litigation, arbitration or administrative proceedings relating to Party C's assets, business or revenue;

2.1.12 To maintain the ownership by Party C of all of its assets, they shall execute all necessary or appropriate documents, take all necessary or appropriate actions, file all necessary or appropriate complaints, and raise necessary or appropriate defenses against all claims;

2.1.13 Without the prior written consent of Party A, they shall ensure that Party C shall not in any manner distribute dividends to its shareholders, provided that upon Party A's written request, Party C shall immediately distribute all distributable profits to its shareholders;

2.1.14 At the request of Party A, they shall appoint any person designated by Party A as the director or executive director of Party C.

2.1.15 Without Party A's prior written consent, they shall not engage in any business in competition with Party A or its affiliates; and

2.1.16 Unless otherwise required by PRC law, Party C shall not be dissolved or liquated without prior written consent by Party A.

2.2 Covenants of Party B

Party B hereby covenants as follows:

2.2.1 Without the prior written consent of Party A, Party B shall not sell, transfer, mortgage or dispose of in any other manner any legal or beneficial interest in the equity interests in Party C held by Party B, or allow the encumbrance thereon, except for the interest placed in accordance with Party B's Equity Interest Pledge Agreement and Party B's Power of Attorney;

2.2.2 Without the prior written consent of Party A, Party B shall cause the shareholders' meeting and/or the directors (or the executive director) of Party C not to approve any sale, transfer, mortgage or disposition in any other manner of any legal or beneficial interest in the equity interests in Party C held by Party B, or allow the encumbrance thereon of any security interest, except for the interest placed in accordance with Party B's Equity Interest Pledge Agreement and Party B's Power of Attorney;

2.2.3 Without the prior written consent of Party A, Party B shall cause the shareholders' meeting or the directors (or the executive director) of Party C not to approve the merger or consolidation with any person, or the acquisition of or investment in any person;

2.2.4 Party B shall immediately notify Party A of the occurrence or possible occurrence of any litigation, arbitration or administrative proceedings relating to the equity interests in Party C held by Party B;

2.2.5 Party B shall cause the shareholders' meeting or the directors (or the executive director) of Party C to vote their approval of the transfer of the Optioned Interests as set forth in this Agreement and to take any and all other actions that may be requested by Party A;

2.2.6 To the extent necessary to maintain Party B's ownership in Party C, Party B shall execute all necessary or appropriate documents, take all necessary or appropriate actions, file all necessary or appropriate complaints, and raise necessary or appropriate defenses against all claims;

2.2.7 Party B shall appoint any designee of Party A as the director or the executive director of Party C, at the request of Party A;

2.2.8 Party B hereby waives its right of first of refusal to transfer of equity interest by any other shareholder of Party C to Party A (if any), and gives consent to execution by each other shareholder of Party C with Party A and Party C the exclusive option agreement, the equity interest pledge agreement and the power of attorney similar to this Agreement, Party B's Equity Interest Pledge Agreement and Party B's Power of Attorney and undertakes not to take any action in conflict with such documents executed by the other shareholders;

2.2.9 Party B shall promptly donate any profit, interest, dividend or proceeds of liquidation, or any proceeds from transferring its entire or a part of equity interest in Party C, to Party A or any other person designated by Party A to the extent permitted under applicable PRC laws; and

2.2.10 Party B shall strictly abide by the provisions of this Agreement and other contracts jointly or separately executed by and among Party B, Party C and Party A, perform the obligations hereunder and thereunder, and refrain from any action/omission that may affect the effectiveness and enforceability thereof. To the extent that Party B has any remaining rights with respect to the equity interests subject to this Agreement hereunder or under the Party B's Equity Interest Pledge Agreement or under the Party B's Power of Attorney, Party B shall not exercise such rights except in accordance with the written instructions of Party A.

3. Representations and Warranties

Party B and Party C hereby represent and warrant to Party A, jointly and severally, as of the date of this Agreement and each date of transfer of the Optioned Interests, that:

3.1 They have the power, capacity and authority to execute and deliver this Agreement and any equity interest transfer contracts to which they are parties concerning the Optioned Interests to be transferred thereunder (each, a "Transfer Contract"), and to perform their obligations under this Agreement and any Transfer Contracts. Party B and Party C agree to enter into Transfer Contracts consistent with the terms of this Agreement upon Party A's exercise of the Equity Interest Purchase Option. This Agreement and the Transfer Contracts to which they are parties constitute or will constitute their legal, valid and binding obligations and shall be enforceable against them in accordance with the provisions thereof;

3.2 Party B and Party C have obtained any and all approvals and consents from government authorities and third parties (if required) for execution, delivery and performance of this Agreement.

3.3 The execution and delivery of this Agreement or any Transfer Contracts and the obligations under this Agreement or any Transfer Contracts shall not: (i) cause any violation of any applicable laws of China; (ii) be inconsistent with the articles of association, bylaws or other organizational documents of Party C; (iii) cause the violation of any contracts or instruments to which they are a party or which are binding on them, or constitute any breach under any contracts or instruments to which they are a party or which are binding on them; (iv) cause any violation of any condition for the grant and/or continued effectiveness of any licenses or permits issued to either of them; or (v) cause the suspension or revocation of or imposition of additional conditions to any licenses or permits issued to either of them;

3.4 Party B has a good and merchantable title to the equity interests held by Party B in Party C. Except for Party B's Equity Interest Pledge Agreement and Party B's Power of Attorney, Party B has not placed any security interest on such equity interests;

3.5 Party C has a good and merchantable title to all of its assets, and has not placed any security interest on the aforementioned assets;

3.6 Party C does not have any outstanding debts, except for (i) debt incurred in the ordinary course of business; and (ii) debts disclosed to Party A for which Party A's written consent has been obtained.

3.7 Party C has complied with all applicable laws and regulations; and

3.8 There are no pending or threatened litigation, arbitration or administrative proceedings relating to the equity interests in Party C, assets of Party C or Party C.

4. Effective Date and Term

This Agreement shall become effective upon execution by the Parties, and remain effective until all equity interests held by Party B in Party C have been transferred or assigned to Party A and/or any other person designated by Party A in accordance with this Agreement.

5. Governing Law and Resolution of Disputes

5.1 Governing law

The execution, effectiveness, construction, performance, amendment and termination of this Agreement and the resolution of disputes hereunder shall be governed by the laws of PRC.

5.2 Methods of Resolution of Disputes

In the event of any dispute with respect to the construction and performance of this Agreement, the Parties shall first resolve the dispute through friendly negotiations. In the event the Parties fail to reach an agreement on the dispute within 30 days after either Party's request to the other Parties for resolution of the dispute through negotiations, either Party may submit the relevant dispute to the China International Economic and Trade Arbitration Commission for arbitration, in accordance with its arbitration rules. The arbitration shall be conducted in Beijing. The arbitration award shall be final and binding on all Parties.

6. Taxes and Fees

Each Party shall pay any and all transfer and registration tax, expenses and fees incurred thereby or levied thereon in accordance with the laws of China in connection with the preparation and execution of this Agreement and the Transfer Contracts, as well as the consummation of the transactions contemplated under this Agreement and the Transfer Contracts.

7. Notices

7.1 All notices and other communications required or permitted to be given pursuant to this Agreement shall be delivered personally or sent by registered mail, postage prepaid, by a commercial courier service or by facsimile transmission to the address of such Party set forth below. A confirmation copy of each notice shall also be sent by email. The dates on which notices shall be deemed to have been effectively given shall be determined as follows:

7.1.1 Notices given by personal delivery, by courier service or by registered mail, postage prepaid, shall be deemed effectively given on the date of receipt or refusal at the address specified for notices;

7.1.2 Notices given by facsimile transmission shall be deemed effectively given on the date of successful transmission (as evidenced by an automatically generated confirmation of transmission).

7.2 For the purpose of notices, the addresses of the Parties are as follows:

Party A: **Yiren Heng Ye Technology Development (Beijing) Co., Ltd.**
Address: 10/F, Building B, Jindi Center, 91 Jianguo Road, Chaoyang District, Beijing
Attn: Dennis Cong
Phone:
Email:

Party B: **Yan Tian**
Address:
Phone:
Email:

Party C: **CreditEase Puhui Information Consultant (Beijing) Co., Ltd.**
Address: Floor 3, Building A, Wentelai Center, 1 West Dawang Road, Chaoyang District, Beijing
Attn: Ning Tang
Phone:
Email:

7.3 Any Party may at any time change its address for notices by a notice delivered to the other Parties in accordance with the terms hereof.

8. Confidentiality

The Parties acknowledge that the existence and the terms of this Agreement, and any oral or written information exchanged between the Parties in connection with the preparation and performance this Agreement are regarded as confidential information. Each Party shall maintain confidentiality of all such confidential information, and without obtaining the written consent of other Parties, it shall not disclose any relevant confidential information to any third parties, except for the information that: (a) is or will be in the public domain (other than through the receiving Party's unauthorized disclosure); (b) is under the obligation to be disclosed pursuant to the applicable laws or regulations, rules of any stock exchange, or orders of the court or other government authorities; or (c) is required to be disclosed by any Party to its shareholders, directors, employees, legal counsels or financial advisors regarding the transaction contemplated hereunder, provided that such shareholders, directors, employees, legal counsels or financial advisors shall be bound by the confidentiality obligations similar to those set forth in this Section. Disclosure of any confidential information by the shareholders, director, employees of or agencies engaged by any Party shall be deemed disclosure of such confidential information by such Party and such Party shall be held liable for breach of this Agreement.

9. Further Warranties

The Parties agree to promptly execute documents that are reasonably required for or are conducive to the implementation of the provisions and purposes of this Agreement and take further actions that are reasonably required for or are conducive to the implementation of the provisions and purposes of this Agreement.

10. Breach of Agreement

10.1 If Party B or Party C conducts any material breach of any term of this Agreement, Party A shall have right to terminate this Agreement and/or require the Party B or Party C to compensate all damages; this Section 10 shall not prejudice any other rights of Party A herein;

10.2 Party B or Party C shall not have any right to terminate this Agreement in any event unless otherwise required by applicable laws.

11. Miscellaneous

11.1 Amendment, change and supplement

Any amendment, change and supplement to this Agreement shall require the execution of a written agreement by all of the Parties.

11.2 Entire agreement

Except for the amendments, supplements or changes in writing executed after the execution of this Agreement, this Agreement shall constitute the entire agreement reached by and among the Parties hereto with respect to the subject matter hereof, and shall supercede all prior oral and written consultations, representations and contracts reached with respect to the subject matter of this Agreement.

11.3 Headings

The headings of this Agreement are for convenience only, and shall not be used to interpret, explain or otherwise affect the meanings of the provisions of this Agreement.

11.4 Language

This Agreement is written in both Chinese and English language in three copies, each Party having one copy. In case of any discrepancy between the Chinese version and the English version, the Chinese version shall prevail.

11.5 Severability

In the event that one or several of the provisions of this Agreement are found to be invalid, illegal or unenforceable in any aspect in accordance with any laws or regulations, the validity, legality or enforceability of the remaining provisions of this Agreement shall not be affected or compromised in any respect. The Parties shall strive in good faith to replace such invalid, illegal or unenforceable provisions with effective provisions that accomplish to the greatest extent permitted by law and the intentions of the Parties, and the economic effect of such effective provisions shall be as close as possible to the economic effect of those invalid, illegal or unenforceable provisions.

11.6 Successors

This Agreement shall be binding on and shall inure to the interest of the respective successors of the Parties and the permitted assigns of such Parties.

11.7 Survival

11.7.1 Any obligations that occur or that are due as a result of this Agreement upon the expiration or early termination of this Agreement shall survive the expiration or early termination thereof.

11.7.2 The provisions of Sections 5, 8, 10 and this Section 11.7 shall survive the termination of this Agreement.

11.8 Waivers

Any Party may waive the terms and conditions of this Agreement, provided that such a waiver must be provided in writing and shall require the signatures of the Parties. No waiver by any Party in certain circumstances with respect to a breach by other Parties shall operate as a waiver by such a Party with respect to any similar breach in other circumstances.

IN WITNESS WHEREOF, the Parties have caused their authorized representatives to execute this Exclusive Option Agreement as of the date first above written.

Party A: **Yiren Heng Ye Technology Development (Beijing) Co., Ltd. (Seal)**

By: /s/ Ning Tang (Company seal affixed)
Name: Ning Tang
Title: Legal Representative

Party B: **Yan Tian**

By: /s/ Yan Tian

Party C: **CreditEase Puhui Information Consultant (Beijing) Co., Ltd. (Seal)**

By: /s/ Ning Tang (Company seal affixed)
Name: Ning Tang
Title: Legal Representative

Exhibit 4.27

Spousal Consent

The undersigned, Mei Zhao (ID card No.), is the lawful spouse of Ning Tang (ID card No.). I hereby unconditionally and irrevocably agree to the execution of the following documents (hereinafter referred to as the "**Transaction Documents**") by Ning Tang on March 25, 2019, and the disposal of the equity interests of CreditEase Puhui Information Consultant (Beijing) Co., Ltd. (hereinafter referred to as "**Pu Hui**") held by Ning Tang and registered in his name according to the following documents:

(1) Equity Interest Pledge Agreement entered into between Yiren Heng Ye Technology Development (Beijing) Co., Ltd. (hereinafter referred to as the "**WFOE**") and Pu Hui;

(2) Exclusive Option Agreement entered into between the WFOE and Pu Hui;

(3) Power of Attorney executed by Ning Tang;

(4) Loan Agreement entered into with WFOE.

I hereby undertake not to make any assertions in connection with the equity interests of Pu Hui which are held by Ning Tang. I hereby further confirm that Ning Tang can perform the Transaction Documents and further amend or terminate the Transaction Documents absent authorization or consent from me.

I hereby undertake to execute all necessary documents and take all necessary actions to ensure appropriate performance of the Transaction Documents (as amended form time to time).

I hereby agree and undertake that if I obtain any equity interests of Pu Hui which are held by Ning Tang for any reasons, I shall be bound by the Transaction Documents and the Exclusive Business Cooperation Agreement entered into between the WFOE and Pu Hui as of March 25, 2019 (hereinafter referred to as the "**Exclusive Business Cooperation Agreement**") (as amended from time to time) and comply with the obligations thereunder as a shareholder of Pu Hui. For this purpose, upon the WFOE's request, I shall sign a series of written documents in substantially the same format and content as the Transaction Documents and Exclusive Business Cooperation Agreement (as amended from time to time).

This Consent is written in Chinese and English. In case of any discrepancy between the Chinese version and the English version, the Chinese version shall prevail.

/s/ Mei Zhao
Mei Zhao

Date: March 25,2019

Exhibit 4.28

Loan Agreement

This Loan Agreement (this "Agreement") is made and entered into by and between the Parties below as of March 25, 2019 in Beijing, China:

(1) **Yiren Heng Ye Technology Development (Beijing) Co., Ltd.** ("Lender"), a wholly foreign owned enterprise, organized and existing under the laws of the PRC, with its address at Room 1018, Floor 10, Building 9, Yard No. 91, Jianguo Street, Chaoyang District, Beijing;

(2) **Ning Tang** ("Borrower"), a citizen of China with Chinese Identification No.: .

Each of the Lender and the Borrower shall be hereinafter referred to as a "Party" respectively, and as the "Parties" collectively.

Whereas:

1. As of the date hereof, Borrower holds 93.1% of equity interests in CreditEase Huimin Investment Management (Beijing) Co., Ltd. ("Borrower Company"). All of the equity interest now held and hereafter acquired by Borrower in Borrower Company shall be referred to as Borrower Equity Interest;

2. Lender confirms that it agrees to provide Borrower with a loan which equals to RMB 186,200,000 to be used for the purposes set forth under this Agreement.

3. Borrower has fully paid RMB 186,200,000 to Borrower Company as the registered capital he has subscribed, a portion of which funds have been provided by a third party as a loan to Borrower (the "Previous Loan").

After friendly consultation, the Parties agree as follows:

1 Loan

1.1 In accordance with the terms and conditions of this Agreement, Lender and Borrower hereby acknowledge that Borrower has obtained from Lender a loan in the amount of RMB 186,200,000 (the "Loan"). The term of the Loan shall be 10 years from the effective date of this Agreement, which may be extended upon mutual written consent of the Parties. During the term of the Loan or the extended term of the Loan, Borrower shall immediately repay the full amount of the Loan in the event any one or more of the following circumstances occur:

1.1.1 30 days elapse after Borrower receives a written notice from Lender requesting repayment of the Loan;

1.1.2 Borrower's death, lack or limitation of civil capacity;

1.1.3 Borrower ceases (for any reason) to be an employee of Lender, Borrower Company or their affiliates;

1.1.4 Borrower engages in criminal act or is involved in criminal activities;

1.1.5 According to the applicable laws of China, foreign investors are permitted to invest in the principle business that is currently conducted by Borrower Company in China with a controlling stake and/or in the form of wholly-foreign-owned enterprises, the relevant competent authorities of China begin to approve such investments, and Lender exercises the exclusive option under the Exclusive Option Agreement (the "Exclusive Option Agreement") described in this Agreement.

1.2 The Loan provided by Lender under this Agreement shall inure to Borrower's benefit only and not to Borrower's successors or assigns.

1.3 Borrower agrees to accept the aforementioned Loan provided by Lender, and hereby agrees and warrants using the Loan to subscribe the registered capital of Borrower Company. Without Lender's prior written consent, Borrower shall not use the Loan for any purpose other than as set forth herein. All Parties hereby agree that the funds received by Borrower under the aforementioned Loan could be used to repay the Previous Loan owed by Borrower.

1.4 Lender and Borrower hereby agree and acknowledge that Borrower's method of repayment shall be at the sole discretion of Lender, and shall at Lender's option take the form of Borrower's transferring the Borrower Equity Interest in whole to Lender or Lender's designated persons (legal or natural persons) pursuant to the Lender's exercise of its right to acquire the Borrower Equity Interest under the Exclusive Option Agreement, and any proceeds from the transfer of the Borrower Equity Interest (to the extent permissible) shall be used by the Borrower to repay the Loan to Lender, in accordance with this Agreement and in the manner designated by Lender.

1.5 Lender and Borrower hereby agree and acknowledge that to the extent permitted by applicable laws, Lender shall have the right but not the obligation to purchase or designate other persons (legal or natural persons) to purchase Borrower Equity Interest in part or in whole at any time, at the price stipulated in the Exclusive Option Agreement.

1.6 Borrower also undertakes to execute an irrevocable Power of Attorney (the "Power of Attorney"), which authorizes Lender or a legal or natural person designated by Lender to exercise all of Borrower's rights as a shareholder of Borrower Company.

1.7 When Borrower transfers Borrower Equity Interest to Lender or Lender's designated person(s), in the event that the transfer price of such equity interest equals or is lower than the principal of the Loan under this Agreement, the Loan under this Agreement shall be deemed an interest-free loan. In the event that the transfer price of such equity interest exceeds the principal of the Loan under this Agreement, the excess over the principal shall be deemed the interest of the Loan under this Agreement payable by Borrower to Lender.

2 Representations and Warranties

2.1 Between the date of this Agreement and the date of termination of this Agreement, Lender hereby makes the following representations and warranties to Borrower:

2.1.1 Lender is a corporation duly organized and legally existing in accordance with the laws of China;

2.1.2 Lender has the legal capacity to execute and perform this Agreement. The execution and performance by Lender of this Agreement is consistent with Lender's scope of business and the provisions of Lender's corporate bylaws and other organizational documents, and Lender has obtained all necessary and proper approvals and authorizations for the execution and performance of this Agreement; and

2.1.3 This Agreement constitutes Lender's legal, valid and binding obligations enforceable in accordance with its terms.

2.2 Between the date of this Agreement and the date of termination of this Agreement, Borrower hereby makes the following representations and warranties:

2.2.1 Borrower has the legal capacity to execute and perform this Agreement. Borrower has obtained all necessary and proper approvals and authorizations for the execution and performance of this Agreement;

2.2.2 This Agreement constitutes Borrower's legal, valid and binding obligations enforceable in accordance with its terms; and

2.2.3 There are no disputes, litigations, arbitrations, administrative proceedings or any other legal proceedings relating to Borrower, nor are there any potential disputes, litigations, arbitrations, administrative proceedings or any other legal proceedings relating to Borrower.

3 Borrower's Covenants

3.1 As and when he becomes, and for so long as he remains a shareholder of Borrower Company, Borrower covenants irrevocably that during the term of this Agreement, Borrower shall cause Borrower Company:

3.1.1 to strictly abide by the provisions of the Exclusive Option Agreement and the Exclusive Business Cooperation Agreement ("Exclusive Business Cooperation Agreement") to which the Borrower Company is a party, and to refrain from any action/omission that may affect the effectiveness and enforceability of the Exclusive Option Agreement and Exclusive Business Cooperation Agreement.

3.1.2 at the request of Lender (or a party designated by Lender), to execute contracts/agreements on business cooperation with Lender (or a party designated by Lender), and to strictly abide by such contracts/agreements;

3.1.3 to provide Lender with all of the information on Borrower Company's business operations and financial condition at Lender's request;

3.1.4 to immediately notify Lender of the occurrence or possible occurrence of any litigation, arbitration or administrative proceedings relating to Borrower Company's assets, business or income;

3.1.5 at the request of Lender, to appoint any persons designated by Lender as directors of Borrower Company;

3.2 Borrower covenants that during the term of this Agreement, he shall:

3.2.1 endeavor to keep Borrower Company to engage in its principle businesses;

3.2.2 abide by the provisions of this Agreement, the Power of Attorney, the Equity Interest Pledge Agreement ("Equity Interest Pledge Agreement") and the Exclusive Option Agreement to which the Borrower is a party, perform his obligations under this Agreement, the Power of Attorney, the Equity Interest Pledge Agreement and the Exclusive Option Agreement, and refrain from any action/omission that may affect the effectiveness and enforceability of this Agreement, the Power of Attorney, the Equity Interest Pledge Agreement and the Exclusive Option Agreement;

3.2.3 not sell, transfer, mortgage or dispose of in any other manner the legal or beneficial interest in Borrower Equity Interest, or allow the encumbrance thereon of any security interest or the encumbrance, except in accordance with the Equity Interest Pledge Agreement;

3.2.4 cause any shareholders' meeting and/or the board of directors of Borrower Company not to approve the sale, transfer, mortgage or disposition in any other manner of any legal or beneficial interest in Borrower Equity Interest, or allow the encumbrance thereon of any security interest, except to Lender or Lender's designated person;

3.2.5 cause any shareholders' meeting and/or the board of directors of the Borrower Company not to approve the merger or consolidation of Borrower Company with any person, or its acquisition of or investment in any person, without the prior written consent of Lender;

3.2.6 immediately notify Lender of the occurrence or possible occurrence of any litigation, arbitration or administrative proceedings relating to Borrower Equity Interest;

3.2.7 to the extent necessary to maintain his ownership of the Borrower Equity Interest, execute all necessary or appropriate documents, take all necessary or appropriate actions and file all necessary or appropriate complaints or raise necessary and appropriate defense against all claims;

3.2.8 without the prior written consent of Lender, refrain from any action /omission that may have a material impact on the assets, business and liabilities of Borrower Company;

3.2.9 appoint any designee of Lender as director of Borrower Company, at the request of Lender;

3.2.10 to the extent permitted by the laws of China, at the request of Lender at any time, promptly and unconditionally transfer all of Borrower Equity Interest to Lender or Lender's designated representative(s) at any time, and cause the other shareholders of Borrower Company to waive their right of first refusal with respect to the share transfer described in this Section;

3.2.11 to the extent permitted by the laws of China, at the request of Lender at any time, cause the other shareholders of Borrower Company to promptly and unconditionally transfer all of their equity interests to Lender or Lender's designated representative(s) at any time, and Borrower hereby waives his right of first refusal (if any) with respect to the share transfer described in this Section;

3.2.12 in the event that Lender purchases Borrower Equity Interest from Borrower in accordance with the provisions of the Exclusive Option Agreement, use such purchase price obtained thereby to repay the Loan to Lender; and

3.2.13 without the prior written consent of Lender, not to cause Borrower Company to supplement, change, or amend its articles of association in any manner, increase or decreases its registered capital or change its share capital structure in any manner.

4 Liability for Default

4.1 If Borrower conducts any material breach of any term of this Agreement, Lender shall have right to terminate this Agreement and require the Borrower to compensate all damages; this Section 4.1 shall not prejudice any other rights of Lender herein.

4.2 Borrower shall not terminate this Agreement in any event unless otherwise required by applicable laws.

4.3 In the event that Borrower fails to perform the repayment obligations set forth in this Agreement, Borrower shall pay overdue interest of 0.01% per day for the outstanding payment, until the day Borrower repays the full principal of the Loan, overdue interests and other payable amounts.

5 Notices

5.1 All notices and other communications required or permitted to be given pursuant to this Agreement shall be delivered personally or sent by registered mail, postage prepaid, by a commercial courier service or by facsimile transmission to the address of such Party set forth below. A confirmation copy of each notice shall also be sent by email. The dates on which notices shall be deemed to have been effectively given shall be determined as follows:

5.1.1 Notices given by personal delivery, by courier service or by registered mail, postage prepaid, shall be deemed effectively given on the date of delivery.

5.1.2 Notices given by facsimile transmission shall be deemed effectively given on the date of successful transmission (as evidenced by an automatically generated confirmation of transmission).

5.2 For the purpose of notices, the addresses of the Parties are as follows:

Lender: **Yiren Heng Ye Technology Development (Beijing) Co., Ltd.**
Address: 10/F, Building B, Jindi Center, 91 Jianguo Road, Chaoyang District, Beijing
Attn: Dennis Cong
Phone:
Email:

Borrower: **Ning Tang**
Address:
Phone:
Email:

5.3 Any Party may at any time change its address for notices by a notice delivered to the other Party in accordance with the terms hereof.

6 Confidentiality

The Parties acknowledge that the existence and the terms of this Agreement and any oral or written information exchanged between the Parties in connection with the preparation and performance this Agreement are regarded as confidential information. Each Party shall maintain confidentiality of all such confidential information, and without obtaining the written consent of the other Party, it shall not disclose any relevant confidential information to any third parties, except for the information that: (a) is or will be in the public domain (other than through the receiving Party's unauthorized disclosure); (b) is under the obligation to be disclosed pursuant to the applicable laws or regulations, rules of any stock exchange, or orders of the court or other government authorities; or (c) is required to be disclosed by any Party to its shareholders, directors, employees, legal counsels or financial advisors regarding the transaction contemplated hereunder, provided that such shareholders, directors, employees, legal counsels or financial advisors shall be bound by the confidentiality obligations similar to those set forth in this Section. Disclosure of any confidential information by the shareholders, director, employees of or agencies engaged by any Party shall be deemed disclosure of such confidential information by such Party and such Party shall be held liable for breach of this Agreement.

7 Governing Law and Resolution of Disputes

7.1 The execution, effectiveness, construction, performance, amendment and termination of this Agreement and the resolution of disputes shall be governed by the laws of China.

7.2 In the event of any dispute with respect to the construction and performance of this Agreement, the Parties shall first resolve the dispute through friendly negotiations. In the event the Parties fail to reach an agreement on the dispute within 30 days after either Party's request to the other Party for resolution of the dispute through negotiations, either Party may submit the relevant dispute to the China International Economic and Trade Arbitration Commission for arbitration, in accordance with its then effective arbitration rules. The arbitration shall be conducted in Beijing. The arbitration award shall be final and binding on all Parties.

7.3 Upon the occurrence of any disputes arising from the construction and performance of this Agreement or during the pending arbitration of any dispute, except for the matters under dispute, the Parties to this Agreement shall continue to exercise their respective rights under this Agreement and perform their respective obligations under this Agreement.

8 Miscellaneous

8.1 This Agreement should become effective upon execution by the Parties, and shall expire upon the date of full performance by the Parties of their respective obligations under this Agreement.

8.2 This Agreement shall be written in both Chinese and English language in two copies, each Party having one copy. The Chinese version and English version shall have equal legal validity.

8.3 This Agreement may be amended or supplemented through written agreement by and between Lender and Borrower. Such written amendment agreement and/or supplementary agreement executed by and between Lender and Borrower are an integral part of this Agreement, and shall have the same legal validity as this Agreement.

8.4 In the event that one or several of the provisions of this Agreement are found to be invalid, illegal or unenforceable in any aspect in accordance with any laws or regulations, the validity, legality or enforceability of the remaining provisions of this Agreement shall not be affected or compromised in any respect. The Parties shall strive in good faith to replace such invalid, illegal or unenforceable provisions with effective provisions that accomplish to the greatest extent permitted by law the intentions of the Parties, and the economic effect of such effective provisions shall be as close as possible to the economic effect of those invalid, illegal or unenforceable provisions.

8.5 The attachments (if any) to this Agreement shall be an integral part of this Agreement and shall have the same legal validity as this Agreement.

8.6 Any obligations that occur or that are due as a result of this Agreement upon the expiration or early termination of this Agreement shall survive the expiration or early termination thereof. The provisions of Sections 4, 6, 7 and this Section 8.6 shall survive the termination of this Agreement.

IN WITNESS WHEREOF, the Parties have caused their authorized representatives to execute this Loan Agreement as of the date firs above written.

Lender: **Yiren Heng Ye Technology Development (Beijing) Co., Ltd. (Seal)**

By: /s/ Ning Tang (Company seal affixed)
Name: Ning Tang
Title: Legal Representative

Borrower: **Ning Tang**

By: /s/ Ning Tang

Loan Agreement

This Loan Agreement (this "Agreement") is made and entered into by and between the Parties below as of March 25, 2019 in Beijing, China:

(1) **Yiren Heng Ye Technology Development (Beijing) Co., Ltd.** ("Lender"), a wholly foreign owned enterprise, organized and existing under the laws of the PRC, with its address at Room 1018, Floor 10, Building 9, Yard No. 91, Jianguo Street, Chaoyang District, Beijing;

(2) **Yan Tian** ("Borrower"), a citizen of China with Chinese Identification No.: .

Each of the Lender and the Borrower shall be hereinafter referred to as a "Party" respectively, and as the "Parties" collectively.

Whereas:

1. As of the date hereof, Borrower holds 3.05% of equity interests in CreditEase Huimin Investment Management (Beijing) Co., Ltd. ("Borrower Company"). All of the equity interest now held and hereafter acquired by Borrower in Borrower Company shall be referred to as Borrower Equity Interest;

2. Lender confirms that it agrees to provide Borrower with a loan which equals to RMB 6,100,000 to be used for the purposes set forth under this Agreement.

3. Borrower has fully paid RMB 6,100,000 to Borrower Company as the registered capital she has subscribed, a portion of which funds have been provided by a third party as a loan to Borrower (the "Previous Loan").

After friendly consultation, the Parties agree as follows:

1 Loan

1.1 In accordance with the terms and conditions of this Agreement, Lender and Borrower hereby acknowledge that Borrower has obtained from Lender a loan in the amount of RMB 6,100,000 (the "Loan"). The term of the Loan shall be 10 years from the effective date of this Agreement, which may be extended upon mutual written consent of the Parties. During the term of the Loan or the extended term of the Loan, Borrower shall immediately repay the full amount of the Loan in the event any one or more of the following circumstances occur:

1.1.1 30 days elapse after Borrower receives a written notice from Lender requesting repayment of the Loan;

1.1.2 Borrower's death, lack or limitation of civil capacity;

1.1.3 Borrower ceases (for any reason) to be an employee of Lender, Borrower Company or their affiliates;

1.1.4 Borrower engages in criminal act or is involved in criminal activities;

1.1.5 According to the applicable laws of China, foreign investors are permitted to invest in the principle business that is currently conducted by Borrower Company in China with a controlling stake and/or in the form of wholly-foreign-owned enterprises, the relevant competent authorities of China begin to approve such investments, and Lender exercises the exclusive option under the Exclusive Option Agreement (the "Exclusive Option Agreement") described in this Agreement.

1.2 The Loan provided by Lender under this Agreement shall inure to Borrower's benefit only and not to Borrower's successors or assigns.

1.3 Borrower agrees to accept the aforementioned Loan provided by Lender, and hereby agrees and warrants using the Loan to subscribe the registered capital of Borrower Company. Without Lender's prior written consent, Borrower shall not use the Loan for any purpose other than as set forth herein. All Parties hereby agree that the funds received by Borrower under the aforementioned Loan could be used to repay the Previous Loan owed by Borrower.

1.4 Lender and Borrower hereby agree and acknowledge that Borrower's method of repayment shall be at the sole discretion of Lender, and shall at Lender's option take the form of Borrower's transferring the Borrower Equity Interest in whole to Lender or Lender's designated persons (legal or natural persons) pursuant to the Lender's exercise of its right to acquire the Borrower Equity Interest under the Exclusive Option Agreement, and any proceeds from the transfer of the Borrower Equity Interest (to the extent permissible) shall be used by the Borrower to repay the Loan to Lender, in accordance with this Agreement and in the manner designated by Lender.

1.5 Lender and Borrower hereby agree and acknowledge that to the extent permitted by applicable laws, Lender shall have the right but not the obligation to purchase or designate other persons (legal or natural persons) to purchase Borrower Equity Interest in part or in whole at any time, at the price stipulated in the Exclusive Option Agreement.

1.6 Borrower also undertakes to execute an irrevocable Power of Attorney (the "Power of Attorney"), which authorizes Lender or a legal or natural person designated by Lender to exercise all of Borrower's rights as a shareholder of Borrower Company.

1.7 When Borrower transfers Borrower Equity Interest to Lender or Lender's designated person(s), in the event that the transfer price of such equity interest equals or is lower than the principal of the Loan under this Agreement, the Loan under this Agreement shall be deemed an interest-free loan. In the event that the transfer price of such equity interest exceeds the principal of the Loan under this Agreement, the excess over the principal shall be deemed the interest of the Loan under this Agreement payable by Borrower to Lender.

2 Representations and Warranties

2.1 Between the date of this Agreement and the date of termination of this Agreement, Lender hereby makes the following representations and warranties to Borrower:

2.1.1 Lender is a corporation duly organized and legally existing in accordance with the laws of China;

2.1.2 Lender has the legal capacity to execute and perform this Agreement. The execution and performance by Lender of this Agreement is consistent with Lender's scope of business and the provisions of Lender's corporate bylaws and other organizational documents, and Lender has obtained all necessary and proper approvals and authorizations for the execution and performance of this Agreement; and

2.1.3 This Agreement constitutes Lender's legal, valid and binding obligations enforceable in accordance with its terms.

2.2 Between the date of this Agreement and the date of termination of this Agreement, Borrower hereby makes the following representations and warranties:

2.2.1 Borrower has the legal capacity to execute and perform this Agreement. Borrower has obtained all necessary and proper approvals and authorizations for the execution and performance of this Agreement;

2.2.2 This Agreement constitutes Borrower's legal, valid and binding obligations enforceable in accordance with its terms; and

2.2.3 There are no disputes, litigations, arbitrations, administrative proceedings or any other legal proceedings relating to Borrower, nor are there any potential disputes, litigations, arbitrations, administrative proceedings or any other legal proceedings relating to Borrower.

3 Borrower's Covenants

3.1 As and when he becomes, and for so long as he remains a shareholder of Borrower Company, Borrower covenants irrevocably that during the term of this Agreement, Borrower shall cause Borrower Company:

3.1.1 to strictly abide by the provisions of the Exclusive Option Agreement and the Exclusive Business Cooperation Agreement ("Exclusive Business Cooperation Agreement") to which the Borrower Company is a party, and to refrain from any action/omission that may affect the effectiveness and enforceability of the Exclusive Option Agreement and Exclusive Business Cooperation Agreement.

3.1.2 at the request of Lender (or a party designated by Lender), to execute contracts/agreements on business cooperation with Lender (or a party designated by Lender), and to strictly abide by such contracts/agreements;

3.1.3 to provide Lender with all of the information on Borrower Company's business operations and financial condition at Lender's request;

3.1.4 to immediately notify Lender of the occurrence or possible occurrence of any litigation, arbitration or administrative proceedings relating to Borrower Company's assets, business or income;

3.1.5 at the request of Lender, to appoint any persons designated by Lender as directors of Borrower Company;

3.2 Borrower covenants that during the term of this Agreement, he shall:

3.2.1 endeavor to keep Borrower Company to engage in its principle businesses;

3.2.2 abide by the provisions of this Agreement, the Power of Attorney, the Equity Interest Pledge Agreement ("Equity Interest Pledge Agreement") and the Exclusive Option Agreement to which the Borrower is a party, perform his obligations under this Agreement, the Power of Attorney, the Equity Interest Pledge Agreement and the Exclusive Option Agreement, and refrain from any action/omission that may affect the effectiveness and enforceability of this Agreement, the Power of Attorney, the Equity Interest Pledge Agreement and the Exclusive Option Agreement;

3.2.3 not sell, transfer, mortgage or dispose of in any other manner the legal or beneficial interest in Borrower Equity Interest, or allow the encumbrance thereon of any security interest or the encumbrance, except in accordance with the Equity Interest Pledge Agreement;

3.2.4 cause any shareholders' meeting and/or the board of directors of Borrower Company not to approve the sale, transfer, mortgage or disposition in any other manner of any legal or beneficial interest in Borrower Equity Interest, or allow the encumbrance thereon of any security interest, except to Lender or Lender's designated person;

3.2.5 cause any shareholders' meeting and/or the board of directors of the Borrower Company not to approve the merger or consolidation of Borrower Company with any person, or its acquisition of or investment in any person, without the prior written consent of Lender;

3.2.6 immediately notify Lender of the occurrence or possible occurrence of any litigation, arbitration or administrative proceedings relating to Borrower Equity Interest;

3.2.7 to the extent necessary to maintain his ownership of the Borrower Equity Interest, execute all necessary or appropriate documents, take all necessary or appropriate actions and file all necessary or appropriate complaints or raise necessary and appropriate defense against all claims;

3.2.8 without the prior written consent of Lender, refrain from any action/omission that may have a material impact on the assets, business and liabilities of Borrower Company;

3.2.9 appoint any designee of Lender as director of Borrower Company, at the request of Lender;

3.2.10 to the extent permitted by the laws of China, at the request of Lender at any time, promptly and unconditionally transfer all of Borrower Equity Interest to Lender or Lender's designated representative(s) at any time, and cause the other shareholders of Borrower Company to waive their right of first refusal with respect to the share transfer described in this Section;

3.2.11 to the extent permitted by the laws of China, at the request of Lender at any time, cause the other shareholders of Borrower Company to promptly and unconditionally transfer all of their equity interests to Lender or Lender's designated representative(s) at any time, and Borrower hereby waives his right of first refusal (if any) with respect to the share transfer described in this Section;

3.2.12 in the event that Lender purchases Borrower Equity Interest from Borrower in accordance with the provisions of the Exclusive Option Agreement, use such purchase price obtained thereby to repay the Loan to Lender; and

3.2.13 without the prior written consent of Lender, not to cause Borrower Company to supplement, change, or amend its articles of association in any manner, increase or decreases its registered capital or change its share capital structure in any manner.

4 Liability for Default

4.1 If Borrower conducts any material breach of any term of this Agreement, Lender shall have right to terminate this Agreement and require the Borrower to compensate all damages; this Section 4.1 shall not prejudice any other rights of Lender herein.

4.2 Borrower shall not terminate this Agreement in any event unless otherwise required by applicable laws.

4.3 In the event that Borrower fails to perform the repayment obligations set forth in this Agreement, Borrower shall pay overdue interest of 0.01% per day for the outstanding payment, until the day Borrower repays the full principal of the Loan, overdue interests and other payable amounts.

5 Notices

5.1 All notices and other communications required or permitted to be given pursuant to this Agreement shall be delivered personally or sent by registered mail, postage prepaid, by a commercial courier service or by facsimile transmission to the address of such Party set forth below. A confirmation copy of each notice shall also be sent by email. The dates on which notices shall be deemed to have been effectively given shall be determined as follows:

5.1.1 Notices given by personal delivery, by courier service or by registered mail, postage prepaid, shall be deemed effectively given on the date of delivery.

5.1.2 Notices given by facsimile transmission shall be deemed effectively given on the date of successful transmission (as evidenced by an automatically generated confirmation of transmission).

5.2 For the purpose of notices, the addresses of the Parties are as follows:

Lender: **Yiren Heng Ye Technology Development (Beijing) Co., Ltd.**
Address: 10/F, Building B, Jindi Center, 91 Jianguo Road, Chaoyang District, Beijing
Attn: Dennis Cong
Phone:
Email:

Borrower: **Yan Tian**
Address:
Phone:
Email:

5.3 Any Party may at any time change its address for notices by a notice delivered to the other Party in accordance with the terms hereof.

6 Confidentiality

The Parties acknowledge that the existence and the terms of this Agreement and any oral or written information exchanged between the Parties in connection with the preparation and performance this Agreement are regarded as confidential information. Each Party shall maintain confidentiality of all such confidential information, and without obtaining the written consent of the other Party, it shall not disclose any relevant confidential information to any third parties, except for the information that: (a) is or will be in the public domain (other than through the receiving Party's unauthorized disclosure); (b) is under the obligation to be disclosed pursuant to the applicable laws or regulations, rules of any stock exchange, or orders of the court or other government authorities; or (c) is required to be disclosed by any Party to its shareholders, directors, employees, legal counsels or financial advisors regarding the transaction contemplated hereunder, provided that such shareholders, directors, employees, legal counsels or financial advisors shall be bound by the confidentiality obligations similar to those set forth in this Section. Disclosure of any confidential information by the shareholders, director, employees of or agencies engaged by any Party shall be deemed disclosure of such confidential information by such Party and such Party shall be held liable for breach of this Agreement.

7 Governing Law and Resolution of Disputes

7.1 The execution, effectiveness, construction, performance, amendment and termination of this Agreement and the resolution of disputes shall be governed by the laws of China.

7.2 In the event of any dispute with respect to the construction and performance of this Agreement, the Parties shall first resolve the dispute through friendly negotiations. In the event the Parties fail to reach an agreement on the dispute within 30 days after either Party's request to the other Party for resolution of the dispute through negotiations, either Party may submit the relevant dispute to the China International Economic and Trade Arbitration Commission for arbitration, in accordance with its then effective arbitration rules. The arbitration shall be conducted in Beijing. The arbitration award shall be final and binding on all Parties.

7.3 Upon the occurrence of any disputes arising from the construction and performance of this Agreement or during the pending arbitration of any dispute, except for the matters under dispute, the Parties to this Agreement shall continue to exercise their respective rights under this Agreement and perform their respective obligations under this Agreement.

8 Miscellaneous

8.1 This Agreement should become effective upon execution by the Parties, and shall expire upon the date of full performance by the Parties of their respective obligations under this Agreement.

8.2 This Agreement shall be written in both Chinese and English language in two copies, each Party having one copy. The Chinese version and English version shall have equal legal validity.

8.3 This Agreement may be amended or supplemented through written agreement by and between Lender and Borrower. Such written amendment agreement and/or supplementary agreement executed by and between Lender and Borrower are an integral part of this Agreement, and shall have the same legal validity as this Agreement.

8.4 In the event that one or several of the provisions of this Agreement are found to be invalid, illegal or unenforceable in any aspect in accordance with any laws or regulations, the validity, legality or enforceability of the remaining provisions of this Agreement shall not be affected or compromised in any respect. The Parties shall strive in good faith to replace such invalid, illegal or unenforceable provisions with effective provisions that accomplish to the greatest extent permitted by law the intentions of the Parties, and the economic effect of such effective provisions shall be as close as possible to the economic effect of those invalid, illegal or unenforceable provisions.

8.5 The attachments (if any) to this Agreement shall be an integral part of this Agreement and shall have the same legal validity as this Agreement.

8.6 Any obligations that occur or that are due as a result of this Agreement upon the expiration or early termination of this Agreement shall survive the expiration or early termination thereof. The provisions of Sections 4, 6, 7 and this Section 8.6 shall survive the termination of this Agreement.

IN WITNESS WHEREOF, the Parties have caused their authorized representatives to execute this Loan Agreement as of the date firs above written.

Lender: **Yiren Heng Ye Technology Development (Beijing) Co., Ltd. (Seal)**

By: /s/ Ning Tang (Company seal affixed)
Name: Ning Tang
Title: Legal Representative

Borrower: **Yan Tian**

By: /s/ Yan Tian

Loan Agreement

This Loan Agreement (this "Agreement") is made and entered into by and between the Parties below as of March 25, 2019 in Beijing, China:

(1) **Yiren Heng Ye Technology Development (Beijing) Co., Ltd.** ("Lender"), a wholly foreign owned enterprise, organized and existing under the laws of the PRC, with its address at Room 1018, Floor 10, Building 9, Yard No. 91, Jianguo Street, Chaoyang District, Beijing;

(2) **Mei Zhao** ("Borrower"), a citizen of China with Chinese Identification No.: .

Each of the Lender and the Borrower shall be hereinafter referred to as a "Party" respectively, and as the "Parties" collectively.

Whereas:

1. As of the date hereof, Borrower holds 3.85% of equity interests in CreditEase Huimin Investment Management (Beijing) Co., Ltd. ("Borrower Company"). All of the equity interest now held and hereafter acquired by Borrower in Borrower Company shall be referred to as Borrower Equity Interest;

2. Lender confirms that it agrees to provide Borrower with a loan which equals to RMB 7,700,000 to be used for the purposes set forth under this Agreement.

3. Borrower has fully paid RMB 7,700,000 to Borrower Company as the registered capital she has subscribed, a portion of which funds have been provided by a third party as a loan to Borrower (the "Previous Loan").

After friendly consultation, the Parties agree as follows:

1 <u>Loan</u>

1.1 In accordance with the terms and conditions of this Agreement, Lender and Borrower hereby acknowledge that Borrower has obtained from Lender a loan in the amount of RMB 7,700,000 (the "Loan"). The term of the Loan shall be 10 years from the effective date of this Agreement, which may be extended upon mutual written consent of the Parties. During the term of the Loan or the extended term of the Loan, Borrower shall immediately repay the full amount of the Loan in the event any one or more of the following circumstances occur:

1.1.1 30 days elapse after Borrower receives a written notice from Lender requesting repayment of the Loan;

1.1.2 Borrower's death, lack or limitation of civil capacity;

1.1.3 Borrower ceases (for any reason) to be an employee of Lender, Borrower Company or their affiliates;

1.1.4 Borrower engages in criminal act or is involved in criminal activities;

1.1.5 According to the applicable laws of China, foreign investors are permitted to invest in the principle business that is currently conducted by Borrower Company in China with a controlling stake and/or in the form of wholly-foreign-owned enterprises, the relevant competent authorities of China begin to approve such investments, and Lender exercises the exclusive option under the Exclusive Option Agreement (the "Exclusive Option Agreement") described in this Agreement.

1.2 The Loan provided by Lender under this Agreement shall inure to Borrower's benefit only and not to Borrower's successors or assigns.

1.3 Borrower agrees to accept the aforementioned Loan provided by Lender, and hereby agrees and warrants using the Loan to subscribe the registered capital of Borrower Company. Without Lender's prior written consent, Borrower shall not use the Loan for any purpose other than as set forth herein. All Parties hereby agree that the funds received by Borrower under the aforementioned Loan could be used to repay the Previous Loan owed by Borrower.

1.4 Lender and Borrower hereby agree and acknowledge that Borrower's method of repayment shall be at the sole discretion of Lender, and shall at Lender's option take the form of Borrower's transferring the Borrower Equity Interest in whole to Lender or Lender's designated persons (legal or natural persons) pursuant to the Lender's exercise of its right to acquire the Borrower Equity Interest under the Exclusive Option Agreement, and any proceeds from the transfer of the Borrower Equity Interest (to the extent permissible) shall be used by the Borrower to repay the Loan to Lender, in accordance with this Agreement and in the manner designated by Lender.

1.5 Lender and Borrower hereby agree and acknowledge that to the extent permitted by applicable laws, Lender shall have the right but not the obligation to purchase or designate other persons (legal or natural persons) to purchase Borrower Equity Interest in part or in whole at any time, at the price stipulated in the Exclusive Option Agreement.

1.6 Borrower also undertakes to execute an irrevocable Power of Attorney (the "Power of Attorney"), which authorizes Lender or a legal or natural person designated by Lender to exercise all of Borrower's rights as a shareholder of Borrower Company.

1.7 When Borrower transfers Borrower Equity Interest to Lender or Lender's designated person(s), in the event that the transfer price of such equity interest equals or is lower than the principal of the Loan under this Agreement, the Loan under this Agreement shall be deemed an interest-free loan. In the event that the transfer price of such equity interest exceeds the principal of the Loan under this Agreement, the excess over the principal shall be deemed the interest of the Loan under this Agreement payable by Borrower to Lender.

2 Representations and Warranties

2.1 Between the date of this Agreement and the date of termination of this Agreement, Lender hereby makes the following representations and warranties to Borrower:

2.1.1 Lender is a corporation duly organized and legally existing in accordance with the laws of China;

2.1.2 Lender has the legal capacity to execute and perform this Agreement. The execution and performance by Lender of this Agreement is consistent with Lender's scope of business and the provisions of Lender's corporate bylaws and other organizational documents, and Lender has obtained all necessary and proper approvals and authorizations for the execution and performance of this Agreement; and

2.1.3 This Agreement constitutes Lender's legal, valid and binding obligations enforceable in accordance with its terms.

2.2 Between the date of this Agreement and the date of termination of this Agreement, Borrower hereby makes the following representations and warranties:

2.2.1 Borrower has the legal capacity to execute and perform this Agreement. Borrower has obtained all necessary and proper approvals and authorizations for the execution and performance of this Agreement;

2.2.2 This Agreement constitutes Borrower's legal, valid and binding obligations enforceable in accordance with its terms; and

2.2.3 There are no disputes, litigations, arbitrations, administrative proceedings or any other legal proceedings relating to Borrower, nor are there any potential disputes, litigations, arbitrations, administrative proceedings or any other legal proceedings relating to Borrower.

3 Borrower's Covenants

3.1 As and when he becomes, and for so long as he remains a shareholder of Borrower Company, Borrower covenants irrevocably that during the term of this Agreement, Borrower shall cause Borrower Company:

3.1.1 to strictly abide by the provisions of the Exclusive Option Agreement and the Exclusive Business Cooperation Agreement ("Exclusive Business Cooperation Agreement") to which the Borrower Company is a party, and to refrain from any action/omission that may affect the effectiveness and enforceability of the Exclusive Option Agreement and Exclusive Business Cooperation Agreement.

3.1.2 at the request of Lender (or a party designated by Lender), to execute contracts/agreements on business cooperation with Lender (or a party designated by Lender), and to strictly abide by such contracts/agreements;

3.1.3 to provide Lender with all of the information on Borrower Company's business operations and financial condition at Lender's request;

3.1.4 to immediately notify Lender of the occurrence or possible occurrence of any litigation, arbitration or administrative proceedings relating to Borrower Company's assets, business or income;

3.1.5 at the request of Lender, to appoint any persons designated by Lender as directors of Borrower Company;

3.2 Borrower covenants that during the term of this Agreement, he shall:3.2.1 endeavor to keep Borrower Company to engage in its principle businesses;

3.2.2 abide by the provisions of this Agreement, the Power of Attorney, the Equity Interest Pledge Agreement ("Equity Interest Pledge Agreement") and the Exclusive Option Agreement to which the Borrower is a party, perform his obligations under this Agreement, the Power of Attorney, the Equity Interest Pledge Agreement and the Exclusive Option Agreement, and refrain from any action/omission that may affect the effectiveness and enforceability of this Agreement, the Power of Attorney, the Equity Interest Pledge Agreement and the Exclusive Option Agreement;

3.2.3 not sell, transfer, mortgage or dispose of in any other manner the legal or beneficial interest in Borrower Equity Interest, or allow the encumbrance thereon of any security interest or the encumbrance, except in accordance with the Equity Interest Pledge Agreement;

3.2.4 cause any shareholders' meeting and/or the board of directors of Borrower Company not to approve the sale, transfer, mortgage or disposition in any other manner of any legal or beneficial interest in Borrower Equity Interest, or allow the encumbrance thereon of any security interest, except to Lender or Lender's designated person;

3.2.5 cause any shareholders' meeting and/or the board of directors of the Borrower Company not to approve the merger or consolidation of Borrower Company with any person, or its acquisition of or investment in any person, without the prior written consent of Lender;

3.2.6 immediately notify Lender of the occurrence or possible occurrence of any litigation, arbitration or administrative proceedings relating to Borrower Equity Interest;

3.2.7 to the extent necessary to maintain his ownership of the Borrower Equity Interest, execute all necessary or appropriate documents, take all necessary or appropriate actions and file all necessary or appropriate complaints or raise necessary and appropriate defense against all claims;

3.2.8 without the prior written consent of Lender, refrain from any action /omission that may have a material impact on the assets, business and liabilities of Borrower Company;

3.2.9 appoint any designee of Lender as director of Borrower Company, at the request of Lender;

3.2.10 to the extent permitted by the laws of China, at the request of Lender at any time, promptly and unconditionally transfer all of Borrower Equity Interest to Lender or Lender's designated representative(s) at any time, and cause the other shareholders of Borrower Company to waive their right of first refusal with respect to the share transfer described in this Section;

3.2.11 to the extent permitted by the laws of China, at the request of Lender at any time, cause the other shareholders of Borrower Company to promptly and unconditionally transfer all of their equity interests to Lender or Lender's designated representative(s) at any time, and Borrower hereby waives his right of first refusal (if any) with respect to the share transfer described in this Section;

3.2.12 in the event that Lender purchases Borrower Equity Interest from Borrower in accordance with the provisions of the Exclusive Option Agreement, use such purchase price obtained thereby to repay the Loan to Lender; and

3.2.13 without the prior written consent of Lender, not to cause Borrower Company to supplement, change, or amend its articles of association in any manner, increase or decreases its registered capital or change its share capital structure in any manner.

4 Liability for Default

4.1 If Borrower conducts any material breach of any term of this Agreement, Lender shall have right to terminate this Agreement and require the Borrower to compensate all damages; this Section 4.1 shall not prejudice any other rights of Lender herein.

4.2 Borrower shall not terminate this Agreement in any event unless otherwise required by applicable laws.

4.3 In the event that Borrower fails to perform the repayment obligations set forth in this Agreement, Borrower shall pay overdue interest of 0.01% per day for the outstanding payment, until the day Borrower repays the full principal of the Loan, overdue interests and other payable amounts.

5 Notices

5.1 All notices and other communications required or permitted to be given pursuant to this Agreement shall be delivered personally or sent by registered mail, postage prepaid, by a commercial courier service or by facsimile transmission to the address of such Party set forth below. A confirmation copy of each notice shall also be sent by email. The dates on which notices shall be deemed to have been effectively given shall be determined as follows:

5.1.1 Notices given by personal delivery, by courier service or by registered mail, postage prepaid, shall be deemed effectively given on the date of delivery.

5.1.2 Notices given by facsimile transmission shall be deemed effectively given on the date of successful transmission (as evidenced by an automatically generated confirmation of transmission).

5.2 For the purpose of notices, the addresses of the Parties are as follows:

Lender: **Yiren Heng Ye Technology Development (Beijing) Co., Ltd.**
Address: 10/F, Building B, Jindi Center, 91 Jianguo Road, Chaoyang District, Beijing
Attn: Dennis Cong
Phone:
Email:

Borrower: **Mei Zhao**
Address:
Phone:
Email:

5.3 Any Party may at any time change its address for notices by a notice delivered to the other Party in accordance with the terms hereof.

6 Confidentiality

The Parties acknowledge that the existence and the terms of this Agreement and any oral or written information exchanged between the Parties in connection with the preparation and performance this Agreement are regarded as confidential information. Each Party shall maintain confidentiality of all such confidential information, and without obtaining the written consent of the other Party, it shall not disclose any relevant confidential information to any third parties, except for the information that: (a) is or will be in the public domain (other than through the receiving Party's unauthorized disclosure); (b) is under the obligation to be disclosed pursuant to the applicable laws or regulations, rules of any stock exchange, or orders of the court or other government authorities; or (c) is required to be disclosed by any Party to its shareholders, directors, employees, legal counsels or financial advisors regarding the transaction contemplated hereunder, provided that such shareholders, directors, employees, legal counsels or financial advisors shall be bound by the confidentiality obligations similar to those set forth in this Section. Disclosure of any confidential information by the shareholders, director, employees of or agencies engaged by any Party shall be deemed disclosure of such confidential information by such Party and such Party shall be held liable for breach of this Agreement.

7 Governing Law and Resolution of Disputes

7.1 The execution, effectiveness, construction, performance, amendment and termination of this Agreement and the resolution of disputes shall be governed by the laws of China.

7.2 In the event of any dispute with respect to the construction and performance of this Agreement, the Parties shall first resolve the dispute through friendly negotiations. In the event the Parties fail to reach an agreement on the dispute within 30 days after either Party's request to the other Party for resolution of the dispute through negotiations, either Party may submit the relevant dispute to the China International Economic and Trade Arbitration Commission for arbitration, in accordance with its then effective arbitration rules. The arbitration shall be conducted in Beijing. The arbitration award shall be final and binding on all Parties.

7.3 Upon the occurrence of any disputes arising from the construction and performance of this Agreement or during the pending arbitration of any dispute, except for the matters under dispute, the Parties to this Agreement shall continue to exercise their respective rights under this Agreement and perform their respective obligations under this Agreement.

8 Miscellaneous

8.1 This Agreement should become effective upon execution by the Parties, and shall expire upon the date of full performance by the Parties of their respective obligations under this Agreement.

8.2 This Agreement shall be written in both Chinese and English language in two copies, each Party having one copy. The Chinese version and English version shall have equal legal validity.

8.3 This Agreement may be amended or supplemented through written agreement by and between Lender and Borrower. Such written amendment agreement and/or supplementary agreement executed by and between Lender and Borrower are an integral part of this Agreement, and shall have the same legal validity as this Agreement.

8.4 In the event that one or several of the provisions of this Agreement are found to be invalid, illegal or unenforceable in any aspect in accordance with any laws or regulations, the validity, legality or enforceability of the remaining provisions of this Agreement shall not be affected or compromised in any respect. The Parties shall strive in good faith to replace such invalid, illegal or unenforceable provisions with effective provisions that accomplish to the greatest extent permitted by law the intentions of the Parties, and the economic effect of such effective provisions shall be as close as possible to the economic effect of those invalid, illegal or unenforceable provisions.

8.5 The attachments (if any) to this Agreement shall be an integral part of this Agreement and shall have the same legal validity as this Agreement.

8.6 Any obligations that occur or that are due as a result of this Agreement upon the expiration or early termination of this Agreement shall survive the expiration or early termination thereof. The provisions of Sections 4, 6, 7 and this Section 8.6 shall survive the termination of this Agreement.

IN WITNESS WHEREOF, the Parties have caused their authorized representatives to execute this Loan Agreement as of the date firs above written.

Lender: **Yiren Heng Ye Technology Development (Beijing) Co., Ltd. (Seal)**

By: /s/ Ning Tang (Company seal affixed)
Name: Ning Tang
Title: Legal Representative

Borrower: **Mei Zhao**

By: /s/ Mei Zhao

Exhibit 4.29

Equity Interest Pledge Agreement

This Equity Interest Pledge Agreement (this "Agreement") has been executed by and among the following parties on March 25, 2019 in Beijing, the People's Republic of China ("China" or the "PRC"):

Party A: **Yiren Heng Ye Technology Development (Beijing) Co., Ltd.** (hereinafter "Pledgee"), a wholly foreign owned enterprise, organized and existing under the laws of the PRC, with its address at Room 1018, Floor 10, Building 9, Yard No. 91, Jianguo Street, Chaoyang District, Beijing;

Party B: **Ning Tang** (hereinafter "Pledgor"), a Chinese citizen with Chinese Identification No.: ; and

Party C: **CreditEase Huimin Investment Management (Beijing) Co., Ltd.**, a limited liability company organized and existing under the laws of the PRC, with its address at Room 1506, Floor 12, Building 1, West Dawang Street, Chaoyang District, Beijing.

In this Agreement, each of Pledgee, Pledgor and Party C shall be referred to as a "Party" respectively, and they shall be collectively referred to as the "Parties".

Whereas:

1. Pledgor is a citizen of China who as of the date hereof holds 93.1% of equity interests of Party C, representing RMB186,200,000 in the registered capital of Party C. Party C is a limited liability company registered in Beijing, China, engaging in investment management, investment consulting, enterprise management consulting, enterprise planning, economic and trade consulting, computer skill training, exhibition service, cultural art communication event organization (excluding performance), storage service, sales of construction material, metal material, artwork, internet information service, telecommunication service operation. Party C acknowledges the respective rights and obligations of Pledgor and Pledgee under this Agreement, and intends to provide any necessary assistance in registering the Pledge;

2. Pledgee is a wholly foreign-owned enterprise registered in China. Pledgee and Party C which is partially owned by Pledgor have executed an Exclusive Business Cooperation Agreement (as defined below) in Beijing; Party C, Pledgee and Pledgor have executed an Exclusive Option Agreement (as defined below);Pledgor has executed a Power of Attorney (as defined below) in favor of Pledgee; and Pledgee and Pledgor have executed a Loan Agreement (as defined below);

3. To ensure that Party C and Pledgor fully perform their obligations under the Exclusive Business Cooperation Agreement, the Exclusive Option Agreement, the Loan Agreement and the Power of Attorney, Pledgor hereby pledges to the Pledgee all of the equity interest that Pledgor holds in Party C as security for Party C's and Pledgor's obligations under the Exclusive Business Cooperation Agreement, the Exclusive Option Agreement, the Loan Agreement and the Power of Attorney.

To perform the provisions of the Transaction Documents (as defined below), the Parties have mutually agreed to execute this Agreement upon the following terms.

1. Definitions

Unless otherwise provided herein, the terms below shall have the following meanings:

1.1 Pledge: shall refer to the security interest granted by Pledgor to Pledgee pursuant to Section 2 of this Agreement, i.e., the right of Pledgee to be paid in priority with the Equity Interest based on the monetary valuation that such Equity Interest is converted into or from the proceeds from auction or sale of the Equity Interest.

1.2 Equity Interest: shall refer to 93.1% equity interests in Party C currently held by Pledgor, representing RMB186,200,000 in the registered capital of Party C, and all of the equity interest hereafter acquired by Pledgor in Party C.

1.3 Term of Pledge: shall refer to the term set forth in Section 3 of this Agreement.

1.4 Transaction Documents: shall refer to the Exclusive Business Cooperation Agreement executed by and between Party C and Pledgee on March 25, 2019 (the "Exclusive Business Cooperation Agreement"), the Exclusive Option Agreement executed by and among Party C, Pledgee and Pledgor on March 25, 2019 (the "Exclusive Option Agreement"), the Loan Agreement executed by and between Pledgee and Pledgor on March 25, 2019 (the "Loan Agreement"), Power of Attorney executed on March 25, 2019 by Pledgor (the "Power of Attorney") and any modification, amendment and restatement to the aforementioned documents.

1.5 Contract Obligations: shall refer to all the obligations of Pledgor under the Exclusive Option Agreement, the Power of Attorney, the Loan Agreement and this Agreement; all the obligations of Party C under the Exclusive Business Cooperation Agreement, the Exclusive Option Agreement, the Loan Agreement and this Agreement.

1.6 Secured Indebtedness: shall refer to all the direct, indirect and derivative losses and losses of anticipated profits, suffered by Pledgee, incurred as a result of any Event of Default. The amount of such loss shall be calculated in accordance with the reasonable business plan and profit forecast of Pledgee, the consulting and service fees payable to Pledgee under the Exclusive Business Cooperation Agreement, all expenses occurred in connection with enforcement by Pledgee of Pledgor's and/or Party C's Contract Obligations and etc.

1.7 Event of Default: shall refer to any of the circumstances set forth in Section 7 of this Agreement.

1.8 Notice of Default: shall refer to the notice issued by Pledgee in accordance with this Agreement declaring an Event of Default.

2. Pledge

2.1 Pledgor agrees to pledge all the Equity Interest as security for performance of the Contract Obligations and payment of the Secured Indebtedness under this Agreement. Party C hereby assents that Pledgor pledges the Equity Interest to the Pledgee pursuant to this Agreement.

2.2 During the term of the Pledge, Pledgee is entitled to receive dividends distributed on the Equity Interest. Pledgor may receive dividends distributed on the Equity Interest only with prior written consent of Pledgee. Dividends received by Pledgor on Equity Interest after deduction of individual income tax paid by Pledgor shall be, as required by Pledgee, (1) deposited into an account designated and supervised by Pledgee and used to secure the Contract Obligations and pay the Secured Indebtedness prior and in preference to make any other payment; or (2) unconditionally donated to Pledgee or any other person designated by Pledgee to the extent permitted under applicable PRC laws.

2.3 Pledgor may subscribe for capital increase in Party C only with prior written consent of Pledgee. Any equity interest obtained by Pledgor as a result of Pledgor's subscription of the increased registered capital of the Company shall also be deemed as Equity Interest.

2.4 In the event that Party C is required by PRC law to be liquidated or dissolved, any interest distributed to Pledgor upon Party C's dissolution or liquidation shall, upon the request of the Pledgee, be (1) deposited into an account designate and supervised by Pledgee and used to secure the Contract Obligations and pay the Secured Indebtedness prior and in preference to make any other payment; or (2) unconditionally donated to Pledgee or any other person designated by Pledgee to the extent permitted under applicable PRC laws.

3. Term of Pledge

3.1 The Pledge shall become effective on such date when the pledge of the Equity Interest contemplated herein is registered with relevant administration for industry and commerce (the "AIC"). The Pledge shall remain effective until all Contract Obligations have been fully performed and all Secured Indebtedness have been fully paid. Pledgor and Party C shall (1) register the Pledge in the shareholders' register of Party C within 3 business days following the execution of this Agreement, and (2) submit an application to the AIC for the registration of the Pledge of the Equity Interest contemplated herein within 15 business days following the execution of this Agreement. The parties covenant that for the purpose of registration of the Pledge, the parties hereto and all other shareholders of Party C shall submit to the AIC this Agreement or an equity interest pledge contract in the form required by the AIC at the location of Party C which shall truly reflect the information of the Pledge hereunder (the "AIC Pledge Contract"). For matters not specified in the AIC Pledge Contract, the parties shall be bound by the provisions of this Agreement. Pledgor and Party C shall submit all necessary documents and complete all necessary procedures, as required by the PRC laws and regulations and the relevant AIC, to ensure that the Pledge of the Equity Interest shall be registered with the AIC as soon as possible after submission for filing.

3.2 During the Term of Pledge, in the event Pledgor and/or Party C fails to perform the Contract Obligations or pay Secured Indebtedness, Pledgee shall have the right, but not the obligation, to exercise the Pledge in accordance with the provisions of this Agreement.

4. Custody of Records for Equity Interest subject to Pledge

4.1 During the Term of Pledge set forth in this Agreement, Pledgor shall deliver to Pledgee's custody the capital contribution certificate for the Equity Interest and the shareholders' register containing the Pledge within one week from the execution of this Agreement. Pledgee shall have custody of such documents during the entire Term of Pledge set forth in this Agreement

5. Representations and Warranties of Pledgor and Party C

As of the execution date of this Agreement, Pledgor and Party C hereby jointly and severally represent and warrant to Pledgee that:

5.1 Pledgor is the sole legal and beneficial owner of the Equity Interest.

5.2 Pledgee shall have the right to dispose of and transfer the Equity Interest in accordance with the provisions set forth in this Agreement.

5.3 Except for the Pledge, Pledgor has not placed any security interest, collateral or other encumbrance on the Equity Interest.

5.4 Pledgor and Party C have obtained any and all approvals and consents from applicable government authorities and third parties (if required) for execution, delivery and performance of this Agreement.

5.5 The execution, delivery and performance of this Agreement will not: (i) violate any relevant PRC laws; (ii) conflict with Party C's articles of association or other constitutional documents; (iii) result in any breach of or constitute any default under any contract or instrument to which it is a party or by which it is otherwise bound; (iv) result in any violation of any condition for the grant and/or maintenance of any permit or approval granted to any Party; or (v) cause any permit or approval granted to any Party to be suspended, cancelled or attached with additional conditions.

6. Covenants of Pledgor and Party C

6.1 During the term of this Agreement, Pledgor and Party C hereby jointly and severally covenant to the Pledgee:

6.1.1 Pledgor shall not transfer the Equity Interest, place or permit the existence of any security interest or other encumbrance on the Equity Interest or any portion thereof, without the prior written consent of Pledgee, except for the performance of the Transaction Documents;

6.1.2 Pledgor and Party C shall comply with the provisions of all laws and regulations applicable to the pledge of rights, and within five (5) days of receipt of any notice, order or recommendation issued or prepared by relevant competent authorities regarding the Pledge, shall present the aforementioned notice, order or recommendation to Pledgee, and shall comply with the aforementioned notice, order or recommendation or submit objections and representations with respect to the aforementioned matters upon Pledgee's reasonable request or upon consent of Pledgee;

6.1.3 Pledgor and Party C shall promptly notify Pledgee of any event or notice received by Pledgor that may have an impact on the Equity Interest or any portion thereof, as well as any event or notice received by Pledgor that may have an impact on any guarantees and other obligations of Pledgor arising out of this Agreement.

6.1.4 Party C shall complete the registration procedures for extension of the term of operation within three (3) months prior to the expiration of such term to maintain the validity of this Agreement.

6.2 Pledgor agrees that the rights acquired by Pledgee in accordance with this Agreement with respect to the Pledge shall not be interrupted or harmed by Pledgor or any heirs or representatives of Pledgor or any other persons through any legal proceedings.

6.3 To protect or perfect the security interest granted by this Agreement for the Contract Obligations and Secured Indebtedness, Pledgor hereby undertakes to execute in good faith and to cause other parties who have an interest in the Pledge to execute all certificates, agreements, deeds and/or covenants required by Pledgee. Pledgor also undertakes to perform and to cause other parties who have an interest in the Pledge to perform actions required by Pledgee, to facilitate the exercise by Pledgee of its rights and authority granted thereto by this Agreement, and to enter into all relevant documents regarding ownership of Equity Interest with Pledgee or designee(s) of Pledgee (natural persons/legal persons). Pledgor undertakes to provide Pledgee within a reasonable time with all notices, orders and decisions regarding the Pledge that are required by Pledgee.

6.4 Pledgor hereby undertakes to comply with and perform all guarantees, promises, agreements, representations and conditions under this Agreement. In the event of failure or partial performance of its guarantees, promises, agreements, representations and conditions, Pledgor shall indemnify Pledgee for all losses resulting therefrom.

7. Event of Breach

7.1 The following circumstances shall be deemed Event of Default:

7.1.1 Pledgor's any breach to any obligations under the Transaction Documents and/or this Agreement.

7.1.2 Party C's any breach to any obligations under the Transaction Documents and/or this Agreement.

7.2 Upon notice or discovery of the occurrence of any circumstances or event that may lead to the aforementioned circumstances described in Section 7.1, Pledgor and Party C shall immediately notify Pledgee in writing accordingly.

7.3 Unless an Event of Default set forth in this Section 7.1 has been successfully resolved to Pledgee's satisfaction within twenty (20) days after the Pledgee and /or Party C delivers a notice to the Pledgor requesting ratification of such Event of Default, Pledgee may issue a Notice of Default to Pledgor in writing at any time thereafter, demanding the Pledgor to immediately exercise the Pledge in accordance with the provisions of Section 8 of this Agreement.

8. Exercise of Pledge

8.1 Pledgee shall issue a written Notice of Default to Pledgor when it exercises the Pledge.

8.2 Subject to the provisions of Section 7.3, Pledgee may exercise the right to enforce the Pledge at any time after the issuance of the Notice of Default in accordance with Section 8.1. Once Pledgee elects to enforce the Pledge, Pledgor shall cease to be entitled to any rights or interests associated with the Equity Interest.

8.3 After Pledgee issues a Notice of Default to Pledgor in accordance with Section 8.1, Pledgee may exercise any remedy measure under applicable PRC laws, the Transaction Documents and this Agreement, including but not limited to being paid in priority with the Equity Interest based on the monetary valuation that such Equity Interest is converted into or from the proceeds from auction or sale of the Equity Interest. The Pledgee shall not be liable for any loss incurred by its duly exercise of such rights and powers.

8.4 The proceeds from exercise of the Pledge by Pledgee shall be used to pay for tax and expenses incurred as result of disposing the Equity Interest and to perform Contract Obligations and pay the Secured Indebtedness to the Pledgee prior and in preference to any other payment. After the payment of the aforementioned amounts, the remaining balance shall be returned to Pledgor or any other person who have rights to such balance under applicable laws or be deposited to the local notary public office where Pledgor resides, with all expense incurred being borne by Pledgor. To the extent permitted under applicable PRC laws, Pledgor shall unconditionally donate the aforementioned proceeds to Pledgee or any other person designated by Pledgee.

8.5 Pledgee may exercise any remedy measure available simultaneously or in any order. Pledgee may exercise the right to being paid in priority with the Equity Interest based on the monetary valuation that such Equity Interest is converted into or from the proceeds from auction or sale of the Equity Interest under this Agreement, without exercising any other remedy measure first.

8.6 Pledgee is entitled to designate an attorney or other representatives to exercise the Pledge on its behalf, and Pledgor or Party C shall not raise any objection to such exercise.

8.7 When Pledgee disposes of the Pledge in accordance with this Agreement, Pledgor and Party C shall provide necessary assistance to enable Pledgee to enforce the Pledge in accordance with this Agreement.

9. Breach of Agreement

9.1 If Pledgor or Party C conducts any material breach of any term of this Agreement, Pledgee shall have right to terminate this Agreement and/or require Pledgor or Party C to indemnify all damages; this Section 9 shall not prejudice any other rights of Pledgee herein;

9.2 Pledgor or Party C shall not have any right to terminate this Agreement in any event unless otherwise required by applicable laws.

10. Assignment

10.1 Without Pledgee's prior written consent, Pledgor and Party C shall not have the right to assign or delegate their rights and obligations under this Agreement.

10.2 This Agreement shall be binding on Pledgor and his/her successors and permitted assigns, and shall be valid with respect to Pledgee and each of his/her successors and assigns.

10.3 At any time, Pledgee may assign any and all of its rights and obligations under the Transaction Documents and this Agreement to its designee(s), in which case the assigns shall have the rights and obligations of Pledgee under the Transaction Documents and this Agreement, as if it were the original party to the Transaction Documents and this Agreement.

10.4 In the event of change of Pledgee due to assignment, Pledgor and/or Party C shall, at the request of Pledgee, execute a new pledge agreement with the new pledgee on the same terms and conditions as this Agreement, and register the same with the relevant AIC.

10.5 Pledgor and Party C shall strictly abide by the provisions of this Agreement and other contracts jointly or separately executed by the Parties hereto or any of them, including the Transaction Documents, perform the obligations hereunder and thereunder, and refrain from any action/omission that may affect the effectiveness and enforceability thereof. Any remaining rights of Pledgor with respect to the Equity Interest pledged hereunder shall not be exercised by Pledgor except in accordance with the written instructions of Pledgee.

11. Termination

11.1 Upon the fulfillment of all Contract Obligations and the full payment of all Secured Indebtedness by Pledgor and Party C, Pledgee shall release the Pledge under this Agreement upon Pledgor's request as soon as reasonably practicable and shall assist Pledgor to de-register the Pledge from the shareholders' register of Party C and with relevant PRC local administration for industry and commerce.

11.2 The provisions under Sections 9, 13, 14 and 11.2 herein of this Agreement shall survive the expiration or termination of this Agreement.

12. Handling Fees and Other Expenses

All fees and out of pocket expenses relating to this Agreement, including but not limited to legal costs, costs of production, stamp tax and any other taxes and fees, shall be borne by Party C.

13. Confidentiality

The Parties acknowledge that the existence and the terms of this Agreement and any oral or written information exchanged between the Parties in connection with the preparation and performance this Agreement are regarded as confidential information. Each Party shall maintain confidentiality of all such confidential information, and without obtaining the written consent of the other Party, it shall not disclose any relevant confidential information to any third parties, except for the information that: (a) is or will be in the public domain (other than through the receiving Party's unauthorized disclosure); (b) is under the obligation to be disclosed pursuant to the applicable laws or regulations, rules of any stock exchange, or orders of the court or other government authorities; or (c) is required to be disclosed by any Party to its shareholders, directors, employees, legal counsels or financial advisors regarding the transaction contemplated hereunder, provided that such shareholders, directors, employees, legal counsels or financial advisors shall be bound by the confidentiality obligations similar to those set forth in this Section. Disclosure of any confidential information by the shareholders, director, employees of or agencies engaged by any Party shall be deemed disclosure of such confidential information by such Party and such Party shall be held liable for breach of this Agreement.

14. Governing Law and Resolution of Disputes

14.1 The execution, effectiveness, construction, performance, amendment and termination of this Agreement and the resolution of disputes hereunder shall be governed by the laws of China.

14.2 In the event of any dispute with respect to the construction and performance of this Agreement, the Parties shall first resolve the dispute through friendly negotiations. In the event the Parties fail to reach an agreement on the dispute within 30 days after either Party's request to the other Parties for resolution of the dispute through negotiations, either Party may submit the relevant dispute to the China International Economic and Trade Arbitration Commission for arbitration, in accordance with its Arbitration Rules. The arbitration shall be conducted in Beijing. The arbitration award shall be final and binding on all Parties.

14.3 Upon the occurrence of any disputes arising from the construction and performance of this Agreement or during the pending arbitration of any dispute, except for the matters under dispute, the Parties to this Agreement shall continue to exercise their respective rights under this Agreement and perform their respective obligations under this Agreement.

15. Notices

15.1 All notices and other communications required or permitted to be given pursuant to this Agreement shall be delivered personally or sent by registered mail, postage prepaid, by a commercial courier service or by facsimile transmission to the address of such party set forth below. A confirmation copy of each notice shall also be sent by E-mail. The dates on which notices shall be deemed to have been effectively given shall be determined as follows:

15.2 Notices given by personal delivery, by courier service or by registered mail, postage prepaid, shall be deemed effectively given on the date of delivery or refusal at the address specified for notices.

15.3 Notices given by facsimile transmission shall be deemed effectively given on the date of successful transmission (as evidenced by an automatically generated confirmation of transmission).

15.4 For the purpose of notices, the addresses of the Parties are as follows:

Party A: **Yiren Heng Ye Technology Development (Beijing) Co., Ltd.**
Address: 10/F, Building B, Jindi Center, 91 Jianguo Road, Chaoyang District, Beijing
Attn: Dennis Cong
Phone:
Email:

Party B: **Ning Tang**
Address:
Phone:
Email:

Party **C:** **CreditEase Huimin Investment Management (Beijing) Co., Ltd.**
Address: Floor 3, Building A, Wentelai Center, 1 West Dawang Road, Chaoyang District, Beijing
Attn: Ning Tang
Phone:
Email:

15.5 Any Party may at any time change its address for notices by a notice delivered to the other Parties in accordance with the terms hereof.

16. Severability

In the event that one or several of the provisions of this Contract are found to be invalid, illegal or unenforceable in any aspect in accordance with any laws or regulations, the validity, legality or enforceability of the remaining provisions of this Contract shall not be affected or compromised in any respect. The Parties shall strive in good faith to replace such invalid, illegal or unenforceable provisions with effective provisions that accomplish to the greatest extent permitted by law and the intentions of the Parties, and the economic effect of such effective provisions shall be as close as possible to the economic effect of those invalid, illegal or unenforceable provisions.

17. Attachments

The attachments set forth herein shall be an integral part of this Agreement.

18. Effectiveness

18.1 This Agreement shall become effective upon execution by the Parties.

18.2 Any amendments, changes and supplements to this Agreement shall be in writing and shall become effective upon completion of the governmental filing procedures (if applicable) after the affixation of the signatures or seals of the Parties.

19. Language and Counterparts

This Agreement is written in Chinese and English in four copies. Pledgor, Pledgee and Party C shall hold one copy respectively and the other copy shall be used for registration. In case of any discrepancy between the Chinese version and the English version, the Chinese version shall prevail.

The Remainder of this page is intentionally left blank

IN WITNESS WHEREOF, the Parties have caused their authorized representatives to execute this Equity Interest Pledge Agreement as of the date first above written.

Party A: **Yiren Heng Ye Technology Development (Beijing) Co., Ltd. (Seal)**

By: /s/ Ning Tang (Company seal affixed)
Name: Ning Tang
Title: Legal Representative

Party B: **Ning Tang**

By: /s/ Ning Tang

Party C: **CreditEase Huimin Investment Management (Beijing) Co., Ltd. (Seal)**

By: /s/ Ning Tang (Company seal affixed)
Name: Ning Tang
Title: Legal Representative

Attachments:

1. Shareholders' Register of Party C;
2. The Capital Contribution Certificate for Party C
3. Exclusive Business Cooperation Agreement
4. Exclusive Option Agreement
5. Loan Agreement
6. Power of Attorney

Equity Interest Pledge Agreement

This Equity Interest Pledge Agreement (this "Agreement") has been executed by and among the following parties on March 25, 2019 in Beijing, the People's Republic of China ("China" or the "PRC"):

Party A: **Yiren Heng Ye Technology Development (Beijing) Co., Ltd.** (hereinafter "Pledgee"), a wholly foreign owned enterprise, organized and existing under the laws of the PRC, with its address at Room 1018, Floor 10, Building 9, Yard No. 91, Jianguo Street, Chaoyang District, Beijing;

Party B: **Yan Tian** (hereinafter "Pledgor"), a Chinese citizen with Chinese Identification No.: ; and

Party C: **CreditEase Huimin Investment Management (Beijing) Co., Ltd.**, a limited liability company organized and existing under the laws of the PRC, with its address at Room 1506, Floor 12, Building 1, West Dawang Street, Chaoyang District, Beijing.

In this Agreement, each of Pledgee, Pledgor and Party C shall be referred to as a "Party" respectively, and they shall be collectively referred to as the "Parties".

Whereas:

1. Pledgor is a citizen of China who as of the date hereof holds 3.05% of equity interests of Party C, representing RMB 6,100,000 in the registered capital of Party C. Party C is a limited liability company registered in Beijing, China, engaging in investment management, investment consulting, enterprise management consulting, enterprise planning, economic and trade consulting, computer skill training, exhibition service, cultural art communication event organization (excluding performance), storage service, sales of construction material, metal material, artwork, internet information service, telecommunication service operation. Party C acknowledges the respective rights and obligations of Pledgor and Pledgee under this Agreement, and intends to provide any necessary assistance in registering the Pledge;

2. Pledgee is a wholly foreign-owned enterprise registered in China. Pledgee and Party C which is partially owned by Pledgor have executed an Exclusive Business Cooperation Agreement (as defined below) in Beijing; Party C, Pledgee and Pledgor have executed an Exclusive Option Agreement (as defined below); Pledgor has executed a Power of Attorney (as defined below) in favor of Pledgee; and Pledgee and Pledgor have executed a Loan Agreement (as defined below);

3. To ensure that Party C and Pledgor fully perform their obligations under the Exclusive Business Cooperation Agreement, the Exclusive Option Agreement, the Loan Agreement and the Power of Attorney, Pledgor hereby pledges to the Pledgee all of the equity interest that Pledgor holds in Party C as security for Party C's and Pledgor's obligations under the Exclusive Business Cooperation Agreement, the Exclusive Option Agreement, the Loan Agreement and the Power of Attorney.

To perform the provisions of the Transaction Documents (as defined below), the Parties have mutually agreed to execute this Agreement upon the following terms.

1. Definitions

Unless otherwise provided herein, the terms below shall have the following meanings:

1.1 Pledge: shall refer to the security interest granted by Pledgor to Pledgee pursuant to Section 2 of this Agreement, i.e., the right of Pledgee to be paid in priority with the Equity Interest based on the monetary valuation that such Equity Interest is converted into or from the proceeds from auction or sale of the Equity Interest.

1.2 Equity Interest: shall refer to 3.05% equity interests in Party C currently held by Pledgor, representing RMB 6,100,000 in the registered capital of Party C, and all of the equity interest hereafter acquired by Pledgor in Party C.

1.3 Term of Pledge: shall refer to the term set forth in Section 3 of this Agreement.

1.4 Transaction Documents: shall refer to the Exclusive Business Cooperation Agreement executed by and between Party C and Pledgee on March 25, 2019 (the "Exclusive Business Cooperation Agreement"), the Exclusive Option Agreement executed by and among Party C, Pledgee and Pledgor on March 25, 2019 (the "Exclusive Option Agreement"), the Loan Agreement executed by and between Pledgee and Pledgor on March 25, 2019 (the "Loan Agreement"), Power of Attorney executed on March 25, 2019 by Pledgor (the "Power of Attorney") and any modification, amendment and restatement to the aforementioned documents.

1.5 Contract Obligations: shall refer to all the obligations of Pledgor under the Exclusive Option Agreement, the Loan Agreement, the Power of Attorney and this Agreement; all the obligations of Party C under the Exclusive Business Cooperation Agreement, the Exclusive Option Agreement, the Loan Agreement and this Agreement.

1.6 Secured Indebtedness: shall refer to all the direct, indirect and derivative losses and losses of anticipated profits, suffered by Pledgee, incurred as a result of any Event of Default. The amount of such loss shall be calculated in accordance with the reasonable business plan and profit forecast of Pledgee, the consulting and service fees payable to Pledgee under the Exclusive Business Cooperation Agreement, all expenses occurred in connection with enforcement by Pledgee of Pledgor's and/or Party C's Contract Obligations and etc.

1.7 Event of Default: shall refer to any of the circumstances set forth in Section 7 of this Agreement.

1.8 Notice of Default: shall refer to the notice issued by Pledgee in accordance with this Agreement declaring an Event of Default.

2. Pledge

2.1 Pledgor agrees to pledge all the Equity Interest as security for performance of the Contract Obligations and payment of the Secured Indebtedness under this Agreement. Party C hereby assents that Pledgor pledges the Equity Interest to the Pledgee pursuant to this Agreement.

2.2 During the term of the Pledge, Pledgee is entitled to receive dividends distributed on the Equity Interest. Pledgor may receive dividends distributed on the Equity Interest only with prior written consent of Pledgee. Dividends received by Pledgor on Equity Interest after deduction of individual income tax paid by Pledgor shall be, as required by Pledgee, (1) deposited into an account designated and supervised by Pledgee and used to secure the Contract Obligations and pay the Secured Indebtedness prior and in preference to make any other payment; or (2) unconditionally donated to Pledgee or any other person designated by Pledgee to the extent permitted under applicable PRC laws.

2.3 Pledgor may subscribe for capital increase in Party C only with prior written consent of Pledgee. Any equity interest obtained by Pledgor as a result of Pledgor's subscription of the increased registered capital of the Company shall also be deemed as Equity Interest.

2.4 In the event that Party C is required by PRC law to be liquidated or dissolved, any interest distributed to Pledgor upon Party C's dissolution or liquidation shall, upon the request of the Pledgee, be (1) deposited into an account designate and supervised by Pledgee and used to secure the Contract Obligations and pay the Secured Indebtedness prior and in preference to make any other payment; or (2) unconditionally donated to Pledgee or any other person designated by Pledgee to the extent permitted under applicable PRC laws.

3. Term of Pledge

3.1 The Pledge shall become effective on such date when the pledge of the Equity Interest contemplated herein is registered with relevant administration for industry and commerce (the "AIC"). The Pledge shall remain effective until all Contract Obligations have been fully performed and all Secured Indebtedness have been fully paid. Pledgor and Party C shall (1) register the Pledge in the shareholders' register of Party C within 3 business days following the execution of this Agreement, and (2) submit an application to the AIC for the registration of the Pledge of the Equity Interest contemplated herein within 15 business days following the execution of this Agreement. The parties covenant that for the purpose of registration of the Pledge, the parties hereto and all other shareholders of Party C shall submit to the AIC this Agreement or an equity interest pledge contract in the form required by the AIC at the location of Party C which shall truly reflect the information of the Pledge hereunder (the "AIC Pledge Contract"). For matters not specified in the AIC Pledge Contract, the parties shall be bound by the provisions of this Agreement. Pledgor and Party C shall submit all necessary documents and complete all necessary procedures, as required by the PRC laws and regulations and the relevant AIC, to ensure that the Pledge of the Equity Interest shall be registered with the AIC as soon as possible after submission for filing.

3.2 During the Term of Pledge, in the event Pledgor and/or Party C fails to perform the Contract Obligations or pay Secured Indebtedness, Pledgee shall have the right, but not the obligation, to exercise the Pledge in accordance with the provisions of this Agreement.

4. Custody of Records for Equity Interest subject to Pledge

4.1 During the Term of Pledge set forth in this Agreement, Pledgor shall deliver to Pledgee's custody the capital contribution certificate for the Equity Interest and the shareholders' register containing the Pledge within one week from the execution of this Agreement. Pledgee shall have custody of such documents during the entire Term of Pledge set forth in this Agreement.

5. Representations and Warranties of Pledgor and Party C

As of the execution date of this Agreement, Pledgor and Party C hereby jointly and severally represent and warrant to Pledgee that:

5.1 Pledgor is the sole legal and beneficial owner of the Equity Interest.

5.2 Pledgee shall have the right to dispose of and transfer the Equity Interest in accordance with the provisions set forth in this Agreement.

5.3 Except for the Pledge, Pledgor has not placed any security interest, collateral or other encumbrance on the Equity Interest.

5.4 Pledgor and Party C have obtained any and all approvals and consents from applicable government authorities and third parties (if required) for execution, delivery and performance of this Agreement.

5.5 The execution, delivery and performance of this Agreement will not: (i) violate any relevant PRC laws; (ii) conflict with Party C's articles of association or other constitutional documents; (iii) result in any breach of or constitute any default under any contract or instrument to which it is a party or by which it is otherwise bound; (iv) result in any violation of any condition for the grant and/or maintenance of any permit or approval granted to any Party; or (v) cause any permit or approval granted to any Party to be suspended, cancelled or attached with additional conditions.

6. Covenants of Pledgor and Party C

6.1 During the term of this Agreement, Pledgor and Party C hereby jointly and severally covenant to the Pledgee:

6.1.1 Pledgor shall not transfer the Equity Interest, place or permit the existence of any security interest or other encumbrance on the Equity Interest or any portion thereof, without the prior written consent of Pledgee, except for the performance of the Transaction Documents;

6.1.2 Pledgor and Party C shall comply with the provisions of all laws and regulations applicable to the pledge of rights, and within five (5) days of receipt of any notice, order or recommendation issued or prepared by relevant competent authorities regarding the Pledge, shall present the aforementioned notice, order or recommendation to Pledgee, and shall comply with the aforementioned notice, order or recommendation or submit objections and representations with respect to the aforementioned matters upon Pledgee's reasonable request or upon consent of Pledgee;

6.1.3 Pledgor and Party C shall promptly notify Pledgee of any event or notice received by Pledgor that may have an impact on the Equity Interest or any portion thereof, as well as any event or notice received by Pledgor that may have an impact on any guarantees and other obligations of Pledgor arising out of this Agreement.

6.1.4 Party C shall complete the registration procedures for extension of the term of operation within three (3) months prior to the expiration of such term to maintain the validity of this Agreement.

6.2 Pledgor agrees that the rights acquired by Pledgee in accordance with this Agreement with respect to the Pledge shall not be interrupted or harmed by Pledgor or any heirs or representatives of Pledgor or any other persons through any legal proceedings.

6.3 To protect or perfect the security interest granted by this Agreement for the Contract Obligations and Secured Indebtedness, Pledgor hereby undertakes to execute in good faith and to cause other parties who have an interest in the Pledge to execute all certificates, agreements, deeds and/or covenants required by Pledgee. Pledgor also undertakes to perform and to cause other parties who have an interest in the Pledge to perform actions required by Pledgee, to facilitate the exercise by Pledgee of its rights and authority granted thereto by this Agreement, and to enter into all relevant documents regarding ownership of Equity Interest with Pledgee or designee(s) of Pledgee (natural persons/legal persons). Pledgor undertakes to provide Pledgee within a reasonable time with all notices, orders and decisions regarding the Pledge that are required by Pledgee.

6.4 Pledgor hereby undertakes to comply with and perform all guarantees, promises, agreements, representations and conditions under this Agreement. In the event of failure or partial performance of its guarantees, promises, agreements, representations and conditions, Pledgor shall indemnify Pledgee for all losses resulting therefrom.

7. Event of Breach

7.1 The following circumstances shall be deemed Event of Default:

7.1.1 Pledgor's any breach to any obligations under the Transaction Documents and/or this Agreement.

7.1.2 Party C's any breach to any obligations under the Transaction Documents and/or this Agreement.

7.2 Upon notice or discovery of the occurrence of any circumstances or event that may lead to the aforementioned circumstances described in Section 7.1, Pledgor and Party C shall immediately notify Pledgee in writing accordingly.

7.3 Unless an Event of Default set forth in this Section 7.1 has been successfully resolved to Pledgee's satisfaction within twenty (20) days after the Pledgee and /or Party C delivers a notice to the Pledgor requesting ratification of such Event of Default, Pledgee may issue a Notice of Default to Pledgor in writing at any time thereafter, demanding the Pledgor to immediately exercise the Pledge in accordance with the provisions of Section 8 of this Agreement.

8. Exercise of Pledge

8.1 Pledgee shall issue a written Notice of Default to Pledgor when it exercises the Pledge.

8.2 Subject to the provisions of Section 7.3, Pledgee may exercise the right to enforce the Pledge at any time after the issuance of the Notice of Default in accordance with Section 8.1. Once Pledgee elects to enforce the Pledge, Pledgor shall cease to be entitled to any rights or interests associated with the Equity Interest.

8.3 After Pledgee issues a Notice of Default to Pledgor in accordance with Section 8.1, Pledgee may exercise any remedy measure under applicable PRC laws, the Transaction Documents and this Agreement, including but not limited to being paid in priority with the Equity Interest based on the monetary valuation that such Equity Interest is converted into or from the proceeds from auction or sale of the Equity Interest. The Pledgee shall not be liable for any loss incurred by its duly exercise of such rights and powers.

8.4 The proceeds from exercise of the Pledge by Pledgee shall be used to pay for tax and expenses incurred as result of disposing the Equity Interest and to perform Contract Obligations and pay the Secured Indebtedness to the Pledgee prior and in preference to any other payment. After the payment of the aforementioned amounts, the remaining balance shall be returned to Pledgor or any other person who have rights to such balance under applicable laws or be deposited to the local notary public office where Pledgor resides, with all expense incurred being borne by Pledgor. To the extent permitted under applicable PRC laws, Pledgor shall unconditionally donate the aforementioned proceeds to Pledgee or any other person designated by Pledgee.

8.5 Pledgee may exercise any remedy measure available simultaneously or in any order. Pledgee may exercise the right to being paid in priority with the Equity Interest based on the monetary valuation that such Equity Interest is converted into or from the proceeds from auction or sale of the Equity Interest under this Agreement, without exercising any other remedy measure first.

8.6 Pledgee is entitled to designate an attorney or other representatives to exercise the Pledge on its behalf, and Pledgor or Party C shall not raise any objection to such exercise.

8.7 When Pledgee disposes of the Pledge in accordance with this Agreement, Pledgor and Party C shall provide necessary assistance to enable Pledgee to enforce the Pledge in accordance with this Agreement.

9. Breach of Agreement

9.1 If Pledgor or Party C conducts any material breach of any term of this Agreement, Pledgee shall have right to terminate this Agreement and/or require Pledgor or Party C to indemnify all damages; this Section 9 shall not prejudice any other rights of Pledgee herein;

9.2 Pledgor or Party C shall not have any right to terminate this Agreement in any event unless otherwise required by applicable laws.

10. Assignment

10.1 Without Pledgee's prior written consent, Pledgor and Party C shall not have the right to assign or delegate their rights and obligations under this Agreement.

10.2 This Agreement shall be binding on Pledgor and his/her successors and permitted assigns, and shall be valid with respect to Pledgee and each of his/her successors and assigns.

10.3 At any time, Pledgee may assign any and all of its rights and obligations under the Transaction Documents and this Agreement to its designee(s), in which case the assigns shall have the rights and obligations of Pledgee under the Transaction Documents and this Agreement, as if it were the original party to the Transaction Documents and this Agreement.

10.4 In the event of change of Pledgee due to assignment, Pledgor and/or Party C shall, at the request of Pledgee, execute a new pledge agreement with the new pledgee on the same terms and conditions as this Agreement, and register the same with the relevant AIC.

10.5 Pledgor and Party C shall strictly abide by the provisions of this Agreement and other contracts jointly or separately executed by the Parties hereto or any of them, including the Transaction Documents, perform the obligations hereunder and thereunder, and refrain from any action/omission that may affect the effectiveness and enforceability thereof. Any remaining rights of Pledgor with respect to the Equity Interest pledged hereunder shall not be exercised by Pledgor except in accordance with the written instructions of Pledgee.

11. Termination

11.1 Upon the fulfillment of all Contract Obligations and the full payment of all Secured Indebtedness by Pledgor and Party C, Pledgee shall release the Pledge under this Agreement upon Pledgor's request as soon as reasonably practicable and shall assist Pledgor to de-register the Pledge from the shareholders' register of Party C and with relevant PRC local administration for industry and commerce.

11.2 The provisions under Sections 9, 13, 14 and 11.2 herein of this Agreement shall survive the expiration or termination of this Agreement.

12. Handling Fees and Other Expenses

All fees and out of pocket expenses relating to this Agreement, including but not limited to legal costs, costs of production, stamp tax and any other taxes and fees, shall be borne by Party C.

13. Confidentiality

The Parties acknowledge that the existence and the terms of this Agreement and any oral or written information exchanged between the Parties in connection with the preparation and performance this Agreement are regarded as confidential information. Each Party shall maintain confidentiality of all such confidential information, and without obtaining the written consent of the other Party, it shall not disclose any relevant confidential information to any third parties, except for the information that: (a) is or will be in the public domain (other than through the receiving Party's unauthorized disclosure); (b) is under the obligation to be disclosed pursuant to the applicable laws or regulations, rules of any stock exchange, or orders of the court or other government authorities; or (c) is required to be disclosed by any Party to its shareholders, directors, employees, legal counsels or financial advisors regarding the transaction contemplated hereunder, provided that such shareholders, directors, employees, legal counsels or financial advisors shall be bound by the confidentiality obligations similar to those set forth in this Section. Disclosure of any confidential information by the shareholders, director, employees of or agencies engaged by any Party shall be deemed disclosure of such confidential information by such Party and such Party shall be held liable for breach of this Agreement.

14. Governing Law and Resolution of Disputes

14.1 The execution, effectiveness, construction, performance, amendment and termination of this Agreement and the resolution of disputes hereunder shall be governed by the laws of China.

14.2 In the event of any dispute with respect to the construction and performance of this Agreement, the Parties shall first resolve the dispute through friendly negotiations. In the event the Parties fail to reach an agreement on the dispute within 30 days after either Party's request to the other Parties for resolution of the dispute through negotiations, either Party may submit the relevant dispute to the China International Economic and Trade Arbitration Commission for arbitration, in accordance with its Arbitration Rules. The arbitration shall be conducted in Beijing. The arbitration award shall be final and binding on all Parties.

14.3 Upon the occurrence of any disputes arising from the construction and performance of this Agreement or during the pending arbitration of any dispute, except for the matters under dispute, the Parties to this Agreement shall continue to exercise their respective rights under this Agreement and perform their respective obligations under this Agreement.

15. Notices

15.1 All notices and other communications required or permitted to be given pursuant to this Agreement shall be delivered personally or sent by registered mail, postage prepaid, by a commercial courier service or by facsimile transmission to the address of such party set forth below. A confirmation copy of each notice shall also be sent by E-mail. The dates on which notices shall be deemed to have been effectively given shall be determined as follows:

15.2 Notices given by personal delivery, by courier service or by registered mail, postage prepaid, shall be deemed effectively given on the date of delivery or refusal at the address specified for notices.

15.3 Notices given by facsimile transmission shall be deemed effectively given on the date of successful transmission (as evidenced by an automatically generated confirmation of transmission).

15.4 For the purpose of notices, the addresses of the Parties are as follows:

Party A: **Yiren Heng Ye Technology Development (Beijing) Co., Ltd.**
Address: 10/F, Building B, Jindi Center, 91 Jianguo Road, Chaoyang District, Beijing
Attn: Dennis Cong
Phone:
Email:

Party B: **Yan Tian**
Address:
Phone:
Email:

Party C: **CreditEase Huimin Investment Management (Beijing) Co., Ltd.**
Address: Floor 3, Building A, Wentelai Center, 1 West Dawang Road, Chaoyang District, Beijing
Attn: Ning Tang
Phone:
Email:

15.5 Any Party may at any time change its address for notices by a notice delivered to the other Parties in accordance with the terms hereof.

16. Severability

In the event that one or several of the provisions of this Contract are found to be invalid, illegal or unenforceable in any aspect in accordance with any laws or regulations, the validity, legality or enforceability of the remaining provisions of this Contract shall not be affected or compromised in any respect. The Parties shall strive in good faith to replace such invalid, illegal or unenforceable provisions with effective provisions that accomplish to the greatest extent permitted by law and the intentions of the Parties, and the economic effect of such effective provisions shall be as close as possible to the economic effect of those invalid, illegal or unenforceable provisions.

17. Attachments

The attachments set forth herein shall be an integral part of this Agreement.

18. Effectiveness

18.1 This Agreement shall become effective upon execution by the Parties.

18.2 Any amendments, changes and supplements to this Agreement shall be in writing and shall become effective upon completion of the governmental filing procedures (if applicable) after the affixation of the signatures or seals of the Parties.

19. Language and Counterparts

This Agreement is written in Chinese and English in four copies. Pledgor, Pledgee and Party C shall hold one copy respectively and the other copy shall be used for registration. In case of any discrepancy between the Chinese version and the English version, the Chinese version shall prevail.

The Remainder of this page is intentionally left blank

IN WITNESS WHEREOF, the Parties have caused their authorized representatives to execute this Equity Interest Pledge Agreement as of the date first above written.

Party A: **Yiren Heng Ye Technology Development (Beijing) Co., Ltd. (Seal)**

By: /s/ Ning Tang (Company seal affixed)
Name: Ning Tang
Title: Legal Representative

Party B: **Yan Tian**

By: /s/ Yan Tian

Party C: **CreditEase Huimin Investment Management (Beijing) Co., Ltd. (Seal)**

By: /s/ Ning Tang (Company seal affixed)
Name: Ning Tang
Title: Legal Representative

Attachments:

1. Shareholders' Register of Party C
2. The Capital Contribution Certificate for Party C
3. Exclusive Business Cooperation Agreement
4. Exclusive Option Agreement
5. Loan Agreement
6. Power of Attorney

Equity Interest Pledge Agreement

This Equity Interest Pledge Agreement (this "Agreement") has been executed by and among the following parties on March 25, 2019 in Beijing, the People's Republic of China ("China" or the "PRC"):

Party A: **Yiren Heng Ye Technology Development (Beijing) Co., Ltd.** (hereinafter "Pledgee"), a wholly foreign owned enterprise, organized and existing under the laws of the PRC, with its address at Room 1018, Floor 10, Building 9, Yard No. 91, Jianguo Street, Chaoyang District, Beijing;

Party B: **Mei Zhao** (hereinafter "Pledgor"), a Chinese citizen with Chinese Identification No.: ; and

Party C: **CreditEase Huimin Investment Management (Beijing) Co., Ltd.**, a limited liability company organized and existing under the laws of the PRC, with its address at Room 1506, Floor 12, Building 1, West Dawang Street, Chaoyang District, Beijing.

In this Agreement, each of Pledgee, Pledgor and Party C shall be referred to as a "Party" respectively, and they shall be collectively referred to as the "Parties".

Whereas:

1. Pledgor is a citizen of China who as of the date hereof holds 3.85% of equity interests of Party C, representing RMB 7,700,000 in the registered capital of Party C. Party C is a limited liability company registered in Beijing, China, engaging in investment management, investment consulting, enterprise management consulting, enterprise planning, economic and trade consulting, computer skill training, exhibition service, cultural art communication event organization (excluding performance), storage service, sales of construction material, metal material, artwork, internet information service, telecommunication service operation. Party C acknowledges the respective rights and obligations of Pledgor and Pledgee under this Agreement, and intends to provide any necessary assistance in registering the Pledge;

2. Pledgee is a wholly foreign-owned enterprise registered in China. Pledgee and Party C which is partially owned by Pledgor have executed an Exclusive Business Cooperation Agreement (as defined below) in Beijing; Party C, Pledgee and Pledgor have executed an Exclusive Option Agreement (as defined below); Pledgor has executed a Power of Attorney (as defined below) in favor of Pledgee; and Pledgee and Pledgor have executed a Loan Agreement (as defined below);

3. To ensure that Party C and Pledgor fully perform their obligations under the Exclusive Business Cooperation Agreement, the Exclusive Option Agreement, the Loan Agreement and the Power of Attorney, Pledgor hereby pledges to the Pledgee all of the equity interest that Pledgor holds in Party C as security for Party C's and Pledgor's obligations under the Exclusive Business Cooperation Agreement, the Exclusive Option Agreement, the Loan Agreement and the Power of Attorney.

To perform the provisions of the Transaction Documents (as defined below), the Parties have mutually agreed to execute this Agreement upon the following terms.

1. Definitions

Unless otherwise provided herein, the terms below shall have the following meanings:

1.1 Pledge: shall refer to the security interest granted by Pledgor to Pledgee pursuant to Section 2 of this Agreement, i.e., the right of Pledgee to be paid in priority with the Equity Interest based on the monetary valuation that such Equity Interest is converted into or from the proceeds from auction or sale of the Equity Interest.

1.2 Equity Interest: shall refer to 3.85% equity interests in Party C currently held by Pledgor, representing RMB 7,700,000 in the registered capital of Party C, and all of the equity interest hereafter acquired by Pledgor in Party C.

1.3 Term of Pledge: shall refer to the term set forth in Section 3 of this Agreement.

1.4 Transaction Documents: shall refer to the Exclusive Business Cooperation Agreement executed by and between Party C and Pledgee on March 25, 2019 (the "Exclusive Business Cooperation Agreement"), the Exclusive Option Agreement executed by and among Party C, Pledgee and Pledgor on March 25, 2019 (the "Exclusive Option Agreement"), the Loan Agreement executed by and between Pledgee and Pledgor on March 25, 2019 (the "Loan Agreement"), Power of Attorney executed on March 25, 2019 by Pledgor (the "Power of Attorney") and any modification, amendment and restatement to the aforementioned documents.

1.5 Contract Obligations: shall refer to all the obligations of Pledgor under the Exclusive Option Agreement, the Loan Agreement, the Power of Attorney and this Agreement; all the obligations of Party C under the Exclusive Business Cooperation Agreement, the Exclusive Option Agreement, the Loan Agreement and this Agreement.

1.6 Secured Indebtedness: shall refer to all the direct, indirect and derivative losses and losses of anticipated profits, suffered by Pledgee, incurred as a result of any Event of Default. The amount of such loss shall be calculated in accordance with the reasonable business plan and profit forecast of Pledgee, the consulting and service fees payable to Pledgee under the Exclusive Business Cooperation Agreement, all expenses occurred in connection with enforcement by Pledgee of Pledgor's and/or Party C's Contract Obligations and etc.

1.7 Event of Default: shall refer to any of the circumstances set forth in Section 7 of this Agreement.

1.8 Notice of Default: shall refer to the notice issued by Pledgee in accordance with this Agreement declaring an Event of Default.

2. Pledge

2.1 Pledgor agrees to pledge all the Equity Interest as security for performance of the Contract Obligations and payment of the Secured Indebtedness under this Agreement. Party C hereby assents that Pledgor pledges the Equity Interest to the Pledgee pursuant to this Agreement.

2.2 During the term of the Pledge, Pledgee is entitled to receive dividends distributed on the Equity Interest. Pledgor may receive dividends distributed on the Equity Interest only with prior written consent of Pledgee. Dividends received by Pledgor on Equity Interest after deduction of individual income tax paid by Pledgor shall be, as required by Pledgee, (1) deposited into an account designated and supervised by Pledgee and used to secure the Contract Obligations and pay the Secured Indebtedness prior and in preference to make any other payment; or (2) unconditionally donated to Pledgee or any other person designated by Pledgee to the extent permitted under applicable PRC laws.

2.3 Pledgor may subscribe for capital increase in Party C only with prior written consent of Pledgee. Any equity interest obtained by Pledgor as a result of Pledgor's subscription of the increased registered capital of the Company shall also be deemed as Equity Interest.

2.4 In the event that Party C is required by PRC law to be liquidated or dissolved, any interest distributed to Pledgor upon Party C's dissolution or liquidation shall, upon the request of the Pledgee, be (1) deposited into an account designate and supervised by Pledgee and used to secure the Contract Obligations and pay the Secured Indebtedness prior and in preference to make any other payment; or (2) unconditionally donated to Pledgee or any other person designated by Pledgee to the extent permitted under applicable PRC laws.

3. Term of Pledge

3.1 The Pledge shall become effective on such date when the pledge of the Equity Interest contemplated herein is registered with relevant administration for industry and commerce (the "AIC"). The Pledge shall remain effective until all Contract Obligations have been fully performed and all Secured Indebtedness have been fully paid. Pledgor and Party C shall (1) register the Pledge in the shareholders' register of Party C within 3 business days following the execution of this Agreement, and (2) submit an application to the AIC for the registration of the Pledge of the Equity Interest contemplated herein within 15 business days following the execution of this Agreement. The parties covenant that for the purpose of registration of the Pledge, the parties hereto and all other shareholders of Party C shall submit to the AIC this Agreement or an equity interest pledge contract in the form required by the AIC at the location of Party C which shall truly reflect the information of the Pledge hereunder (the "AIC Pledge Contract"). For matters not specified in the AIC Pledge Contract, the parties shall be bound by the provisions of this Agreement. Pledgor and Party C shall submit all necessary documents and complete all necessary procedures, as required by the PRC laws and regulations and the relevant AIC, to ensure that the Pledge of the Equity Interest shall be registered with the AIC as soon as possible after submission for filing.

3.2 During the Term of Pledge, in the event Pledgor and/or Party C fails to perform the Contract Obligations or pay Secured Indebtedness, Pledgee shall have the right, but not the obligation, to exercise the Pledge in accordance with the provisions of this Agreement.

4. Custody of Records for Equity Interest subject to Pledge

4.1 During the Term of Pledge set forth in this Agreement, Pledgor shall deliver to Pledgee's custody the capital contribution certificate for the Equity Interest and the shareholders' register containing the Pledge within one week from the execution of this Agreement. Pledgee shall have custody of such documents during the entire Term of Pledge set forth in this Agreement.

5. Representations and Warranties of Pledgor and Party C

As of the execution date of this Agreement, Pledgor and Party C hereby jointly and severally represent and warrant to Pledgee that:

5.1 Pledgor is the sole legal and beneficial owner of the Equity Interest.

5.2 Pledgee shall have the right to dispose of and transfer the Equity Interest in accordance with the provisions set forth in this Agreement.

5.3 Except for the Pledge, Pledgor has not placed any security interest, collateral or other encumbrance on the Equity Interest.

5.4 Pledgor and Party C have obtained any and all approvals and consents from applicable government authorities and third parties (if required) for execution, delivery and performance of this Agreement.

5.5 The execution, delivery and performance of this Agreement will not: (i) violate any relevant PRC laws; (ii) conflict with Party C's articles of association or other constitutional documents; (iii) result in any breach of or constitute any default under any contract or instrument to which it is a party or by which it is otherwise bound; (iv) result in any violation of any condition for the grant and/or maintenance of any permit or approval granted to any Party; or (v) cause any permit or approval granted to any Party to be suspended, cancelled or attached with additional conditions.

6. Covenants of Pledgor and Party C

6.1 During the term of this Agreement, Pledgor and Party C hereby jointly and severally covenant to the Pledgee:

6.1.1 Pledgor shall not transfer the Equity Interest, place or permit the existence of any security interest or other encumbrance on the Equity Interest or any portion thereof, without the prior written consent of Pledgee, except for the performance of the Transaction Documents;

6.1.2 Pledgor and Party C shall comply with the provisions of all laws and regulations applicable to the pledge of rights, and within five (5) days of receipt of any notice, order or recommendation issued or prepared by relevant competent authorities regarding the Pledge, shall present the aforementioned notice, order or recommendation to Pledgee, and shall comply with the aforementioned notice, order or recommendation or submit objections and representations with respect to the aforementioned matters upon Pledgee's reasonable request or upon consent of Pledgee;

6.1.3 Pledgor and Party C shall promptly notify Pledgee of any event or notice received by Pledgor that may have an impact on the Equity Interest or any portion thereof, as well as any event or notice received by Pledgor that may have an impact on any guarantees and other obligations of Pledgor arising out of this Agreement.

6.1.4 Party C shall complete the registration procedures for extension of the term of operation within three (3) months prior to the expiration of such term to maintain the validity of this Agreement.

6.2 Pledgor agrees that the rights acquired by Pledgee in accordance with this Agreement with respect to the Pledge shall not be interrupted or harmed by Pledgor or any heirs or representatives of Pledgor or any other persons through any legal proceedings.

6.3 To protect or perfect the security interest granted by this Agreement for the Contract Obligations and Secured Indebtedness, Pledgor hereby undertakes to execute in good faith and to cause other parties who have an interest in the Pledge to execute all certificates, agreements, deeds and/or covenants required by Pledgee. Pledgor also undertakes to perform and to cause other parties who have an interest in the Pledge to perform actions required by Pledgee, to facilitate the exercise by Pledgee of its rights and authority granted thereto by this Agreement, and to enter into all relevant documents regarding ownership of Equity Interest with Pledgee or designee(s) of Pledgee (natural persons/legal persons). Pledgor undertakes to provide Pledgee within a reasonable time with all notices, orders and decisions regarding the Pledge that are required by Pledgee.

6.4 Pledgor hereby undertakes to comply with and perform all guarantees, promises, agreements, representations and conditions under this Agreement. In the event of failure or partial performance of its guarantees, promises, agreements, representations and conditions, Pledgor shall indemnify Pledgee for all losses resulting therefrom.

7. Event of Breach

7.1 The following circumstances shall be deemed Event of Default:

7.1.1 Pledgor's any breach to any obligations under the Transaction Documents and/or this Agreement.

7.1.2 Party C's any breach to any obligations under the Transaction Documents and/or this Agreement.

7.2 Upon notice or discovery of the occurrence of any circumstances or event that may lead to the aforementioned circumstances described in Section 7.1, Pledgor and Party C shall immediately notify Pledgee in writing accordingly.

7.3 Unless an Event of Default set forth in this Section 7.1 has been successfully resolved to Pledgee's satisfaction within twenty (20) days after the Pledgee and /or Party C delivers a notice to the Pledgor requesting ratification of such Event of Default, Pledgee may issue a Notice of Default to Pledgor in writing at any time thereafter, demanding the Pledgor to immediately exercise the Pledge in accordance with the provisions of Section 8 of this Agreement.

8. Exercise of Pledge

8.1 Pledgee shall issue a written Notice of Default to Pledgor when it exercises the Pledge.

8.2 Subject to the provisions of Section 7.3, Pledgee may exercise the right to enforce the Pledge at any time after the issuance of the Notice of Default in accordance with Section 8.1. Once Pledgee elects to enforce the Pledge, Pledgor shall cease to be entitled to any rights or interests associated with the Equity Interest.

8.3 After Pledgee issues a Notice of Default to Pledgor in accordance with Section 8.1, Pledgee may exercise any remedy measure under applicable PRC laws, the Transaction Documents and this Agreement, including but not limited to being paid in priority with the Equity Interest based on the monetary valuation that such Equity Interest is converted into or from the proceeds from auction or sale of the Equity Interest. The Pledgee shall not be liable for any loss incurred by its duly exercise of such rights and powers.

8.4 The proceeds from exercise of the Pledge by Pledgee shall be used to pay for tax and expenses incurred as result of disposing the Equity Interest and to perform Contract Obligations and pay the Secured Indebtedness to the Pledgee prior and in preference to any other payment. After the payment of the aforementioned amounts, the remaining balance shall be returned to Pledgor or any other person who have rights to such balance under applicable laws or be deposited to the local notary public office where Pledgor resides, with all expense incurred being borne by Pledgor. To the extent permitted under applicable PRC laws, Pledgor shall unconditionally donate the aforementioned proceeds to Pledgee or any other person designated by Pledgee.

8.5 Pledgee may exercise any remedy measure available simultaneously or in any order. Pledgee may exercise the right to being paid in priority with the Equity Interest based on the monetary valuation that such Equity Interest is converted into or from the proceeds from auction or sale of the Equity Interest under this Agreement, without exercising any other remedy measure first.

8.6 Pledgee is entitled to designate an attorney or other representatives to exercise the Pledge on its behalf, and Pledgor or Party C shall not raise any objection to such exercise.

8.7 When Pledgee disposes of the Pledge in accordance with this Agreement, Pledgor and Party C shall provide necessary assistance to enable Pledgee to enforce the Pledge in accordance with this Agreement.

9. Breach of Agreement

9.1 If Pledgor or Party C conducts any material breach of any term of this Agreement, Pledgee shall have right to terminate this Agreement and/or require Pledgor or Party C to indemnify all damages; this Section 9 shall not prejudice any other rights of Pledgee herein;

9.2 Pledgor or Party C shall not have any right to terminate this Agreement in any event unless otherwise required by applicable laws.

10. Assignment

10.1 Without Pledgee's prior written consent, Pledgor and Party C shall not have the right to assign or delegate their rights and obligations under this Agreement.

10.2 This Agreement shall be binding on Pledgor and his/her successors and permitted assigns, and shall be valid with respect to Pledgee and each of his/her successors and assigns.

10.3 At any time, Pledgee may assign any and all of its rights and obligations under the Transaction Documents and this Agreement to its designee(s), in which case the assigns shall have the rights and obligations of Pledgee under the Transaction Documents and this Agreement, as if it were the original party to the Transaction Documents and this Agreement.

10.4 In the event of change of Pledgee due to assignment, Pledgor and/or Party C shall, at the request of Pledgee, execute a new pledge agreement with the new pledgee on the same terms and conditions as this Agreement, and register the same with the relevant AIC.

10.5 Pledgor and Party C shall strictly abide by the provisions of this Agreement and other contracts jointly or separately executed by the Parties hereto or any of them, including the Transaction Documents, perform the obligations hereunder and thereunder, and refrain from any action/omission that may affect the effectiveness and enforceability thereof. Any remaining rights of Pledgor with respect to the Equity Interest pledged hereunder shall not be exercised by Pledgor except in accordance with the written instructions of Pledgee.

11. Termination

11.1 Upon the fulfillment of all Contract Obligations and the full payment of all Secured Indebtedness by Pledgor and Party C, Pledgee shall release the Pledge under this Agreement upon Pledgor's request as soon as reasonably practicable and shall assist Pledgor to de-register the Pledge from the shareholders' register of Party C and with relevant PRC local administration for industry and commerce.

11.2 The provisions under Sections 9, 13, 14 and 11.2 herein of this Agreement shall survive the expiration or termination of this Agreement.

12. Handling Fees and Other Expenses

All fees and out of pocket expenses relating to this Agreement, including but not limited to legal costs, costs of production, stamp tax and any other taxes and fees, shall be borne by Party C.

13. Confidentiality

The Parties acknowledge that the existence and the terms of this Agreement and any oral or written information exchanged between the Parties in connection with the preparation and performance this Agreement are regarded as confidential information. Each Party shall maintain confidentiality of all such confidential information, and without obtaining the written consent of the other Party, it shall not disclose any relevant confidential information to any third parties, except for the information that: (a) is or will be in the public domain (other than through the receiving Party's unauthorized disclosure); (b) is under the obligation to be disclosed pursuant to the applicable laws or regulations, rules of any stock exchange, or orders of the court or other government authorities; or (c) is required to be disclosed by any Party to its shareholders, directors, employees, legal counsels or financial advisors regarding the transaction contemplated hereunder, provided that such shareholders, directors, employees, legal counsels or financial advisors shall be bound by the confidentiality obligations similar to those set forth in this Section. Disclosure of any confidential information by the shareholders, director, employees of or agencies engaged by any Party shall be deemed disclosure of such confidential information by such Party and such Party shall be held liable for breach of this Agreement.

14. Governing Law and Resolution of Disputes

14.1 The execution, effectiveness, construction, performance, amendment and termination of this Agreement and the resolution of disputes hereunder shall be governed by the laws of China.

14.2 In the event of any dispute with respect to the construction and performance of this Agreement, the Parties shall first resolve the dispute through friendly negotiations. In the event the Parties fail to reach an agreement on the dispute within 30 days after either Party's request to the other Parties for resolution of the dispute through negotiations, either Party may submit the relevant dispute to the China International Economic and Trade Arbitration Commission for arbitration, in accordance with its Arbitration Rules. The arbitration shall be conducted in Beijing. The arbitration award shall be final and binding on all Parties.

14.3 Upon the occurrence of any disputes arising from the construction and performance of this Agreement or during the pending arbitration of any dispute, except for the matters under dispute, the Parties to this Agreement shall continue to exercise their respective rights under this Agreement and perform their respective obligations under this Agreement.

15. Notices

15.1 All notices and other communications required or permitted to be given pursuant to this Agreement shall be delivered personally or sent by registered mail, postage prepaid, by a commercial courier service or by facsimile transmission to the address of such party set forth below. A confirmation copy of each notice shall also be sent by E-mail. The dates on which notices shall be deemed to have been effectively given shall be determined as follows:

15.2 Notices given by personal delivery, by courier service or by registered mail, postage prepaid, shall be deemed effectively given on the date of delivery or refusal at the address specified for notices.

15.3 Notices given by facsimile transmission shall be deemed effectively given on the date of successful transmission (as evidenced by an automatically generated confirmation of transmission).

15.4 For the purpose of notices, the addresses of the Parties are as follows:

Party A: **Yiren Heng Ye Technology Development (Beijing) Co., Ltd.**
Address: 10/F, Building B, Jindi Center, 91 Jianguo Road, Chaoyang District, Beijing
Attn: Dennis Cong
Phone:
Email:

Party B: **Mei Zhao**
Address:
Phone:
Email:

Party C: **CreditEase Huimin Investment Management (Beijing) Co., Ltd.**
Address: Floor 3, Building A, Wentelai Center, 1 West Dawang Road, Chaoyang District, Beijing
Attn: Ning Tang
Phone:
Email:

15.5 Any Party may at any time change its address for notices by a notice delivered to the other Parties in accordance with the terms hereof.

16. Severability

In the event that one or several of the provisions of this Contract are found to be invalid, illegal or unenforceable in any aspect in accordance with any laws or regulations, the validity, legality or enforceability of the remaining provisions of this Contract shall not be affected or compromised in any respect. The Parties shall strive in good faith to replace such invalid, illegal or unenforceable provisions with effective provisions that accomplish to the greatest extent permitted by law and the intentions of the Parties, and the economic effect of such effective provisions shall be as close as possible to the economic effect of those invalid, illegal or unenforceable provisions.

17. Attachments

The attachments set forth herein shall be an integral part of this Agreement.

18. Effectiveness

18.1 This Agreement shall become effective upon execution by the Parties.

18.2 Any amendments, changes and supplements to this Agreement shall be in writing and shall become effective upon completion of the governmental filing procedures (if applicable) after the affixation of the signatures or seals of the Parties.

19. Language and Counterparts

This Agreement is written in Chinese and English in four copies. Pledgor, Pledgee and Party C shall hold one copy respectively and the other copy shall be used for registration. In case of any discrepancy between the Chinese version and the English version, the Chinese version shall prevail.

The Remainder of this page is intentionally left blank

IN WITNESS WHEREOF, the Parties have caused their authorized representatives to execute this Equity Interest Pledge Agreement as of the date first above written.

Party A: **Yiren Heng Ye Technology Development (Beijing) Co., Ltd. (Seal)**

By: /s/ Ning Tang (Company seal affixed)
Name: Ning Tang
Title: Legal Representative

Party B: **Mei Zhao**

By: /s/ Mei Zhao

Party C: **CreditEase Huimin Investment Management (Beijing) Co., Ltd. (Seal)**

By: /s/ Ning Tang (Company seal affixed)
Name: Ning Tang
Title: Legal Representative

Attachments:

1. Shareholders' Register of Party C
2. The Capital Contribution Certificate for Party C
3. Exclusive Business Cooperation Agreement
4. Exclusive Option Agreement
5. Loan Agreement
6. Power of Attorney

Exhibit 4.30

Power of Attorney

I, Ning Tang, a Chinese citizen with Chinese Identification Card No.: , and a holder of 93.1% of the entire registered capital in CreditEase Huimin Investment Management (Beijing) Co., Ltd. ("Hui Min") as of the date when the Power of Attorney is executed, hereby irrevocably authorize Yiren Heng Ye Technology (Beijing) Co., Ltd. ("WFOE") to exercise the following rights relating to all equity interests held by me now and in the future in Hui Min ("My Shareholding") during the term of this Power of Attorney:

WFOE is hereby authorized to act on behalf of myself as my exclusive agent and attorney with respect to all matters concerning My Shareholding, including without limitation to: 1) attending shareholders' meetings of Hui Min; 2) exercising all the shareholder's rights and shareholder's voting rights I am entitled to under the laws of China and Hui Min's Articles of Association, including but not limited to the sale or transfer or pledge or disposition of My Shareholding in part or in whole; and 3) designate and appoint on behalf of myself the legal representative, the directors, supervisors, the chief executive officer and other senior management members of Hui Min.

Without limiting the generality of the powers granted hereunder, WFOE shall have the power and authority to, on behalf of myself, execute all the documents I shall sign as stipulated in the Exclusive Option Agreement entered into by and among me, WFOE and Hui Min on March 25, 2019 and the Equity Pledge Agreement entered into by and among me, WFOE and Hui Min on March 25, 2019 (including any modification, amendment and restatement thereto, collectively the "Transaction Documents"), and perform the terms of the Transaction Documents.

All the actions associated with My Shareholding conducted by WFOE shall be deemed as my own actions, and all the documents related to My Shareholding executed by WFOE shall be deemed to be executed by me. I hereby acknowledge and ratify those actions and/or documents by WFOE.

WFOE is entitled to re-authorize or assign its rights related to the aforesaid matters to any other person or entity at its own discretion and without giving prior notice to me or obtaining my consent. If required by PRC laws, WFOE shall designate a PRC citizen to exercise the aforementioned rights.

During the period that I am a shareholder of Hui Min, this Power of Attorney shall be irrevocable and continuously effective and valid from the date of execution of this Power of Attorney.

During the term of this Power of Attorney, I hereby waive all the rights associated with My Shareholding, which have been authorized to WFOE through this Power of Attorney, and shall not exercise such rights by myself.

This Power of Attorney is written in Chinese and English. In case of any discrepancy between the Chinese version and the English version, the Chinese version shall prevail.

This Power of Attorney is signed on March 25, 2019.

Ning Tang

By: /s/ Ning Tang

Accepted by

Yiren Heng Ye Technology Development (Beijing) Co., Ltd. (Seal)

By: /s/ Ning Tang (Company seal affixed)
Name: Ning Tang
Title: Legal Representative

Acknowledged by:

CreditEase Huimin Investment Management (Beijing) Co., Ltd. (Seal)

By: /s/ Ning Tang (Company seal affixed)
Name: Ning Tang
Title: Legal Representative

Power of Attorney

I, Yan Tian, a Chinese citizen with Chinese Identification Card No.: , and a holder of 3.05% of the entire registered capital in CreditEase Huimin Investment Management (Beijing) Co., Ltd. ("Hui Min") as of the date when the Power of Attorney is executed, hereby irrevocably authorize Yiren Heng Ye Technology Development (Beijing) Co., Ltd. ("WFOE") to exercise the following rights relating to all equity interests held by me now and in the future in Hui Min ("My Shareholding") during the term of this Power of Attorney:

WFOE is hereby authorized to act on behalf of myself as my exclusive agent and attorney with respect to all matters concerning My Shareholding, including without limitation to: 1) attending shareholders' meetings of Hui Min; 2) exercising all the shareholder's rights and shareholder's voting rights I am entitled to under the laws of China and Hui Min's Articles of Association, including but not limited to the sale or transfer or pledge or disposition of My Shareholding in part or in whole; and 3) designate and appoint on behalf of myself the legal representative, the directors, supervisors, the chief executive officer and other senior management members of Hui Min.

Without limiting the generality of the powers granted hereunder, WFOE shall have the power and authority to, on behalf of myself, execute all the documents I shall sign as stipulated in the Exclusive Option Agreement entered into by and among me, WFOE and Hui Min on March 25, 2019 and the Equity Pledge Agreement entered into by and among me, WFOE and Hui Min on March 25, 2019 (including any modification, amendment and restatement thereto, collectively the "Transaction Documents"), and perform the terms of the Transaction Documents.

All the actions associated with My Shareholding conducted by WFOE shall be deemed as my own actions, and all the documents related to My Shareholding executed by WFOE shall be deemed to be executed by me. I hereby acknowledge and ratify those actions and/or documents by WFOE.

WFOE is entitled to re-authorize or assign its rights related to the aforesaid matters to any other person or entity at its own discretion and without giving prior notice to me or obtaining my consent. If required by PRC laws, WFOE shall designate a PRC citizen to exercise the aforementioned rights.

During the period that I am a shareholder of Hui Min, this Power of Attorney shall be irrevocable and continuously effective and valid from the date of execution of this Power of Attorney.

During the term of this Power of Attorney, I hereby waive all the rights associated with My Shareholding, which have been authorized to WFOE through this Power of Attorney, and shall not exercise such rights by myself.

This Power of Attorney is written in Chinese and English. In case of any discrepancy between the Chinese version and the English version, the Chinese version shall prevail.

This Power of Attorney is signed on March 25, 2019.

Yan Tian

By: /s/ Yan Tian =

Accepted by

Yiren Heng Ye Technology Development (Beijing) Co., Ltd. (Seal)

By: /s/ Ning Tang (Company seal affixed)
Name: Ning Tang
Title: Legal Representative

Acknowledged by:

CreditEase Huimin Investment Management (Beijing) Co., Ltd. (Seal)

By: /s/ Ning Tang (Company seal affixed)
Name: Ning Tang
Title: Legal Representative

Power of Attorney

I, Mei Zhao, a Chinese citizen with Chinese Identification Card No.: , and a holder of 3.85% of the entire registered capital in CreditEase Huimin Investment Management (Beijing) Co., Ltd. ("Hui Min") as of the date when the Power of Attorney is executed, hereby irrevocably authorize Yiren Heng Ye Technology Development (Beijing) Co., Ltd. ("WFOE") to exercise the following rights relating to all equity interests held by me now and in the future in Hui Min ("My Shareholding") during the term of this Power of Attorney:

WFOE is hereby authorized to act on behalf of myself as my exclusive agent and attorney with respect to all matters concerning My Shareholding, including without limitation to: 1) attending shareholders' meetings of Hui Min; 2) exercising all the shareholder's rights and shareholder's voting rights I am entitled to under the laws of China and Hui Min's Articles of Association, including but not limited to the sale or transfer or pledge or disposition of My Shareholding in part or in whole; and 3) designate and appoint on behalf of myself the legal representative, the directors, supervisors, the chief executive officer and other senior management members of Hui Min.

Without limiting the generality of the powers granted hereunder, WFOE shall have the power and authority to, on behalf of myself, execute all the documents I shall sign as stipulated in the Exclusive Option Agreement entered into by and among me, WFOE and Hui Min on March 25, 2019 and the Equity Pledge Agreement entered into by and among me, WFOE and Hui Min on March 25, 2019 (including any modification, amendment and restatement thereto, collectively the "Transaction Documents"), and perform the terms of the Transaction Documents.

All the actions associated with My Shareholding conducted by WFOE shall be deemed as my own actions, and all the documents related to My Shareholding executed by WFOE shall be deemed to be executed by me. I hereby acknowledge and ratify those actions and/or documents by WFOE.

WFOE is entitled to re-authorize or assign its rights related to the aforesaid matters to any other person or entity at its own discretion and without giving prior notice to me or obtaining my consent. If required by PRC laws, WFOE shall designate a PRC citizen to exercise the aforementioned rights.

During the period that I am a shareholder of Hui Min, this Power of Attorney shall be irrevocable and continuously effective and valid from the date of execution of this Power of Attorney.

During the term of this Power of Attorney, I hereby waive all the rights associated with My Shareholding, which have been authorized to WFOE through this Power of Attorney, and shall not exercise such rights by myself.

This Power of Attorney is written in Chinese and English. In case of any discrepancy between the Chinese version and the English version, the Chinese version shall prevail.

This Power of Attorney is signed on March 25, 2019.

Mei Zhao

By: /s/ Mei Zhao

Accepted by

Yiren Heng Ye Technology Development (Beijing) Co., Ltd. (Seal)

By: /s/ Ning Tang (Company seal affixed)
Name: Ning Tang
Title: Legal Representative

Acknowledged by:

CreditEase Huimin Investment Management (Beijing) Co., Ltd. (Seal)

By: /s/ Ning Tang (Company seal affixed)
Name: Ning Tang
Title: Legal Representative

Exhibit 4.31

Exclusive Business Cooperation Agreement

This Exclusive Business Cooperation Agreement (this "Agreement") is made and entered into by and between the following parties on March 25, 2019 in Beijing, the People's Republic of China ("China" or the "PRC").

Party A: **Yiren Heng Ye Technology Development (Beijing) Co., Ltd.**
Address: Room 1018, Floor 10, Building 9, Yard No. 91, Jianguo Street, Chaoyang District, Beijing

Party B: **CreditEase Huimin Investment Management (Beijing) Co., Ltd.**
Address: Room 1506, Floor 12, Building 1, West Dawang Street, Chaoyang District, Beijing

Each of Party A and Party B shall be hereinafter referred to as a "Party" respectively, and as the "Parties" collectively.

Whereas,

1. Party A is a wholly foreign owned enterprise established in China, and has the necessary resources to provide technical and consulting services;

2. Party B is a company established in China with exclusively domestic capital and is permitted to engage in investment management, investment consulting, enterprise management consulting, enterprise planning, economic and trade consulting, computer skill training, exhibition service, cultural art communication event organization (excluding performance), storage service, sales of construction material, metal material, artwork, internet information service, telecommunication service operation by relevant PRC government authorities. The businesses conducted by Party B currently and any time during the term of this Agreement are collectively referred to as the "Principal Business";
3. Party A is willing to provide Party B with technical support, consulting services and other services on exclusive basis in relation to the Principal Business during the term of this Agreement, utilizing its advantages in technology, human resources, and information, and Party B is willing to accept such services provided by Party A or Party A's designee(s), each on the terms set forth herein.

Now, therefore, through mutual discussion, the Parties have reached the following agreements:

1. **Services Provided by Party A**

1.1 Party B hereby appoints Party A as Party B's exclusive services provider to provide Party B with comprehensive technical support, consulting services and other services during the term of this Agreement, in accordance with the terms and conditions of this Agreement, including but not limited to the follows:

(1) Licensing Party B to use any software legally owned by Party A;

(2) Development, maintenance and update of software involved in Party B's business;

(3) Design, installation, daily management, maintenance and updating of network system, hardware and database design;

(4) Technical support and training for employees of Party B;

(5) Assisting Party B in consultancy, collection and research of technology and market information (excluding market research business that wholly foreign-owned enterprises are prohibited from conducting under PRC law);

(6) Providing business management consultation for Party B;

(7) Providing marketing and promotion services for Party B;

(8) Providing customer order management and customer services for Party B;

(9) Leasing of equipments or properties; and

(10) Other services requested by Party B from time to time to the extent permitted under PRC law.

1.2 Party B agrees to accept all the services provided by Party A. Party B further agrees that unless with Party A's prior written consent, during the term of this Agreement, Party B shall not directly or indirectly accept the same or any similar services provided by any third party and shall not establish similar corporation relationship with any third party regarding the matters contemplated by this Agreement. Party A may designate other parties, who may enter into certain agreements described in Section 1.3 with Party B, to provide Party B with the services under this Agreement. For the purpose of this Agreement, Party A and other parties designated by Party A may be respectively referred to as a "Service Provider," or collectively as "Service Providers."

1.3 Service Providing Methodology

1.3.1 Party A and Party B agree that during the term of this Agreement, where necessary, Party B may enter into further service agreements with Party A or any other party designated by Party A, which shall provide the specific contents, manner, personnel, and fees for the specific services.

1.3.2 To fulfill this Agreement, Party A and Party B agree that during the term of this Agreement, where necessary, Party B may enter into equipment or property leases with Party A or any other party designated by Party A which shall permit Party B to use Party A's relevant equipment or property based on the needs of the business of Party B.

1.3.3 Party B hereby grants to Party A an irrevocable and exclusive option to purchase from Party B, at Party A's sole discretion, any or all of the assets and business of Party B, to the extent permitted under PRC law, at the lowest purchase price permitted by PRC law. The Parties shall then enter into a separate assets or business transfer agreement, specifying the terms and conditions of the transfer of the assets.

2. **The Calculation and Payment of the Service Fees**

2.1 The fees payable by Party B to Service Providers during the term of this Agreement shall be calculated as follows:

2.1.1 Party B shall pay service fee to Party A or to Service Providers as instructed by Party A in each month. The service fee for each month shall consist of management fee and fee for services provided, which shall be determined or adjusted (if necessary) by the Party A by considering the following factors. Party B shall accept such determination and adjustments.

(1) Complexity and difficulty of the services provided by Party A;

(2) Title of and time consumed by employees of the Service Provider providing the services;

(3) Contents and value of the services provided by Party A;

(4) Market price of the same type of services;

(5) Operation conditions of the Party B.

2.1.2 If a Service Provider transfers technology to Party B or develops software or other technology as entrusted by Party B or leases equipments or properties to Party B, the technology transfer price, development fees or rent shall be determined by Party A or the Service Provider as instructed by Party A based on the actual situations.

3. **Intellectual Property Rights and Confidentiality Clauses**

3.1 Party A shall have exclusive and proprietary ownership, rights and interests in any and all intellectual properties arising out of or created during the performance of this Agreement, including but not limited to copyrights, patents, patent applications, software, technical secrets, trade secrets and others. Party B shall execute all appropriate documents, take all appropriate actions, submit all filings and/or applications, render all appropriate assistance and otherwise conduct whatever is necessary as deemed by Party A at its sole discretion for the purposes of vesting any ownership, right or interest of any such intellectual property rights in Party A, and/or perfecting the protections for any such intellectual property rights in Party A.

3.2 The Parties acknowledge that the existence and the terms of this Agreement and any oral or written information exchanged between the Parties in connection with the preparation and performance of this Agreement are regarded as confidential information. Each Party shall maintain confidentiality of all such confidential information, and without obtaining the written consent of the other Party, it shall not disclose any relevant confidential information to any third party, except for the information that: (a) is or will be in the public domain (other than through the receiving Party's unauthorized disclosure); (b) is under the obligation to be disclosed pursuant to the applicable laws or regulations, rules of any stock exchange, or orders of the court or other government authorities; or (c) is required to be disclosed by any Party to its shareholders, directors, employees, legal counsels or financial advisors regarding the transaction contemplated hereunder, provided that such shareholders, directors, employees, legal counsels or financial advisors shall be bound by the confidentiality obligations similar to those set forth in this Section. Disclosure of any confidential information by the shareholders, director, employees of or agencies engaged by any Party shall be deemed disclosure of such confidential information by such Party and such Party shall be held liable for breach of this Agreement.

4. **Representations and Warranties**

4.1 Party A hereby represents, warrants and covenants as follows:

4.1.1 Party A is a wholly foreign owned enterprise legally established and validly existing in accordance with the laws of China; Party A or the service providers designated by Party A will obtain all government permits and licenses for providing the service under this Agreement before providing such services.

4.1.2 Party A has taken all necessary corporate actions, obtained all necessary authorizations as well as all consents and approvals from third parties and government agencies (if required) for the execution, delivery and performance of this Agreement. Party A's execution, delivery and performance of this Agreement do not violate any explicit requirements under any law or regulation.

4.1.3 This Agreement constitutes Party A's legal, valid and binding obligations, enforceable against it in accordance with its terms.

4.2 Party B hereby represents, warrants and covenants as follows:

4.2.1 Party B is a company legally established and validly existing in accordance with the laws of China and has obtained and will maintain all permits and licenses for engaging in the Principal Business in a timely manner.

4.2.2 Party B has taken all necessary corporate actions, obtained all necessary authorizations as well as all consents and approvals from third parties and government agencies (if required) for the execution, delivery and performance of this Agreement. Party B's execution, delivery and performance of this Agreement do not violate any explicit requirements under any law or regulation.

4.2.3 This Agreement constitutes Party B's legal, valid and binding obligations, and shall be enforceable against it in accordance with its terms.

5. **Term of Agreement**

5.1 This Agreement shall become effective upon execution by the Parties. Unless terminated in accordance with the provisions of this Agreement or terminated in writing by Party A, this Agreement shall remain effective.

5.2 During the term of this Agreement, each Party shall renew its operation term prior to the expiration thereof so as to enable this Agreement to remain effective. This Agreement shall be terminated upon the expiration of the operation term of a Party if the application for renewal of its operation term is not approved by relevant government authorities.

5.3 The rights and obligations of the Parties under Sections 3, 6, 7 and this Section 5.3 shall survive the termination of this Agreement.

6. **Governing Law and Resolution of Disputes**

6.1 The execution, effectiveness, construction, performance, amendment and termination of this Agreement and the resolution of disputes hereunder shall be governed by the laws of China.

6.2 In the event of any dispute with respect to the construction and performance of this Agreement, the Parties shall first resolve the dispute through friendly negotiations. In the event the Parties fail to reach an agreement on the dispute within 30 days after either Party's request to the other Party for resolution of the dispute through negotiations, either Party may submit the relevant dispute to the China International Economic and Trade Arbitration Commission for arbitration, in accordance with its arbitration rules. The arbitration shall be conducted in Beijing. The arbitration award shall be final and binding on both Parties.

6.3 Upon the occurrence of any disputes arising from the construction and performance of this Agreement or during the pending arbitration of any dispute, except for the matters under dispute, the Parties shall continue to exercise their respective rights under this Agreement and perform their respective obligations under this Agreement.

7. **Breach of Agreement and Indemnification**

7.1 If Party B conducts any material breach of any term of this Agreement, Party A shall have right to terminate this Agreement and/or require Party B to indemnify all damages; this Section 7.1 shall not prejudice any other rights of Party A herein.

7.2 Unless otherwise required by applicable laws, Party B shall not have any right to terminate this Agreement in any event.

7.3 Party B shall indemnify and hold harmless Party A from any losses, injuries, obligations or expenses caused by any lawsuit, claims or other demands against Party A arising from or caused by the services provided by Party A to Party B pursuant this Agreement, except where such losses, injuries, obligations or expenses arise from the gross negligence or willful misconduct of Party A.

8. **Force Majeure**

8.1 In the case of any force majeure events ("Force Majeure") such as earthquake, typhoon, flood, fire, flu, war, strikes or any other events that cannot be predicted and are unpreventable and unavoidable by the affected Party, which directly or indirectly causes the failure of either Party to perform or completely perform this Agreement, then the Party affected by such Force Majeure shall give the other Party written notices without any delay, and shall provide details of such event within 15 days after sending out such notice, explaining the reasons for such failure of, partial or delay of performance.

8.2 If such Party claiming Force Majeure fails to notify the other Party and furnish it with proof pursuant to the above provision, such Party shall not be excused from the non-performance of its obligations hereunder. The Party so affected by the event of Force Majeure shall use reasonable efforts to minimize the consequences of such Force Majeure and to promptly resume performance hereunder whenever the causes of such excuse are cured. Should the Party so affected by the event of Force Majeure fail to resume performance hereunder when the causes of such excuse are cured, such Party shall be liable to the other Party.

8.3 In the event of Force Majeure, the Parties shall immediately consult with each other to find an equitable solution and shall use all reasonable endeavours to minimize the consequences of such Force Majeure.

9. **Notices**

9.1 All notices and other communications required or permitted to be given pursuant to this Agreement shall be delivered personally or sent by registered mail, postage prepaid, by a commercial courier service or by facsimile transmission to the address of such Party set forth below. A confirmation copy of each notice shall also be sent by email. The dates on which notices shall be deemed to have been effectively given shall be determined as follows:

9.1.1 Notices given by personal delivery, by courier service or by registered mail, postage prepaid, shall be deemed effectively given on the date of receipt or refusal at the address specified for notices.

9.1.2 Notices given by facsimile transmission shall be deemed effectively given on the date of successful transmission (as evidenced by an automatically generated confirmation of transmission).

9.2 For the purpose of notices, the addresses of the Parties are as follows:

Party A: **Yiren Heng Ye Technology Development (Beijing) Co., Ltd.**
Address: 10/F, Building B, Jindi Center, 91 Jianguo Road, Chaoyang District, Beijing
Attn: Dennis Cong
Phone:
Email:

Party B: **CreditEase Huimin Investment Management (Beijing) Co., Ltd.**
Address: Floor 3, Building A, Wentelai Center, 1 West Dawang Road, Chaoyang District, Beijing
Attn: Ning Tang
Phone:
Email:

9.3 Any Party may at any time change its address for notices by a notice delivered to the other Party in accordance with the terms hereof.

10. **Assignment**

10.1 Without Party A's prior written consent, Party B shall not assign its rights and obligations under this Agreement to any third party.

10.2 Party B agrees that Party A may assign its obligations and rights under this Agreement to any third party and in case of such assignment, Party A is only required to give written notice to Party B and does not need any consent from Party B for such assignment.

11. **Severability**

In the event that one or several of the provisions of this Agreement are found to be invalid, illegal or unenforceable in any aspect in accordance with any laws or regulations, the validity, legality or enforceability of the remaining provisions of this Agreement shall not be affected or compromised in any aspect. The Parties shall negotiate in good faith to replace such invalid, illegal or unenforceable provisions with effective provisions that accomplish to the greatest extent permitted by law and the intentions of the Parties, and the economic effect of such effective provisions shall be as close as possible to the economic effect of those invalid, illegal or unenforceable provisions.

12. **Amendments and Supplements**

Any amendments and supplements to this Agreement shall be in writing. The amendment agreements and supplementary agreements that have been signed by the Parties and relate to this Agreement shall be an integral part of this Agreement and shall have the same legal validity as this Agreement.

13. **Language and Counterparts**

This Agreement is written in both Chinese and English language in two copies, each Party having one copy. In case of any discrepancy between the Chinese version and the English version, the Chinese version shall prevail.

IN WITNESS WHEREOF, the Parties have caused their authorized representatives to execute this Exclusive Business Cooperation Agreement as of the date first above written.

Party A: **Yiren Heng Ye Technology Development (Beijing) Co., Ltd.**

By: /s/ Ning Tang (Company seal affixed)
Name: Ning Tang
Title: Legal Representative

Party B: **CreditEase Huimin Investment Management (Beijing) Co., Ltd.**

By: /s/ Ning Tang (Company seal affixed)
Name: Ning Tang
Title: Legal Representative

Exhibit 4.32

Exclusive Option Agreement

This Exclusive Option Agreement (this "Agreement") is executed by and among the following Parties as of March 25, 2019 in Beijing, the People's Republic of China ("China" or the "PRC"):

Party A: **Yiren Heng Ye Technology Development (Beijing) Co., Ltd.**, a wholly foreign owned enterprise, organized and existing under the laws of the PRC, with its address at Room 1018, Floor 10, Building 9, Yard No. 91, Jianguo Street, Chaoyang District, Beijing;

Party B: **Ning Tang**, a Chinese citizen with Identification No.: ; and

Party C: **CreditEase Huimin Investment Management (Beijing) Co., Ltd.**, a limited liability company organized and existing under the laws of the PRC, with its address at Room 1506, Floor 12, Building 1, West Dawang Street, Chaoyang District, Beijing.

In this Agreement, each of Party A, Party B and Party C shall be referred to as a "Party" respectively, and they shall be collectively referred to as the "Parties".

Whereas:

1. Party B is a shareholder of Party C and as of the date hereof holds 93.1% of equity interests of Party C, representing RMB186,200,000 in the registered capital of Party C.

2. Party A and Party B executed a Loan Agreement ("Loan Agreement") on March 25, 2019, according to which Party A agreed to provide Party B with a loan in amount of RMB 186,200,000, to be used for the purpose of subscribing the registered capital of Party C.

3. Party B agrees to grant Party A an exclusive right through this Agreement, and Party A agrees to accept such exclusive right to purchase all or part equity interest held by Party B in Party C.

Now therefore, upon mutual discussion and negotiation, the Parties have reached the following agreement:

1. Sale and Purchase of Equity Interest

1.1 Option Granted

In consideration of the payment of RMB10 by Party A, the receipt and adequacy of which is hereby acknowledged by Party B, Party B hereby irrevocably grants Party A an irrevocable and exclusive right to purchase, or designate one or more persons (each, a "Designee") to purchase the equity interests in Party C then held by Party B once or at multiple times at any time in part or in whole at Party A's sole and absolute discretion to the extent permitted by Chinese laws and at the price described in Section 1.3 herein (such right being the "Equity Interest Purchase Option"). Except for Party A and the Designee(s), no other person shall be entitled to the Equity Interest Purchase Option or other rights with respect to the equity interests of Party B. Party C hereby agrees to the grant by Party B of the Equity Interest Purchase Option to Party A. The term "person" as used herein shall refer to individuals, corporations, partnerships, partners, enterprises, trusts or non-corporate organizations.

1.2 Steps for Exercise of Equity Interest Purchase Option

Subject to the provisions of the laws and regulations of China, Party A may exercise the Equity Interest Purchase Option by issuing a written notice to Party B (the "Equity Interest Purchase Option Notice"), specifying: (a) Party A's or the Designee's decision to exercise the Equity Interest Purchase Option; (b) the portion of equity interests to be purchased by Party A or the Designee from Party B (the "Optioned Interests"); and (c) the date for purchasing the Optioned Interests or the date for transfer of the Optioned Interests.

1.3 Equity Interest Purchase Price

The purchase price of all equity interests held by Party B in Party C purchased by Party A by exercising the Equity Interest Purchase Option shall equal to the amount of registered capital contributed by Party B in Party C for such Optioned Interests (or such price may be as set forth in the equity transfer agreement to be executed between Party A (or the Designee) and Party B separately, provided that such price does not violate PRC laws and regulations and is acceptable to Party A); if Party A exercises the Equity Interest Purchase Option to purchase part of the equity interests held by Party B in Party C, the purchase price shall be calculated pro rata. If PRC law requires a minimum price higher than aforementioned price when Party A exercises Equity Interest Purchase Option, the minimum price regulated by PRC law shall be the purchase price (collectively, the "Equity Interest Purchase Price").

1.4 Transfer of Optioned Interests

For each exercise of the Equity Interest Purchase Option:

1.4.1 Party B shall cause Party C to promptly convene a shareholders' meeting, at which a resolution shall be adopted approving Party B's transfer of the Optioned Interests to Party A and/or the Designee(s);

1.4.2 Party B shall obtain written statements from the other shareholders of Party C giving consent to the transfer of the equity interest to Party A and/or the Designee(s) and waiving any right of first refusal related thereto;

1.4.3 Party B shall execute an equity interest transfer contract with respect to each transfer with Party A and/or each Designee (whichever is applicable), in accordance with the provisions of this Agreement and the Equity Interest Purchase Option Notice regarding the Optioned Interests;

1.4.4 The relevant Parties shall execute all other necessary contracts, agreements or documents, obtain all necessary government licenses and permits and take all necessary actions to transfer valid ownership of the Optioned Interests to Party A and/or the Designee(s), unencumbered by any security interests, and cause Party A and/or the Designee(s) to become the registered owner(s) of the Optioned Interests. For the purpose of this Section and this Agreement, "security interests" shall include securities, mortgages, third party's rights or interests, any stock options, acquisition right, right of first refusal, right to offset, ownership retention or other security arrangements, but shall be deemed to exclude any security interest created by this Agreement, Party B's Equity Interest Pledge Agreement and Party B's Power of Attorney. "Party B's Equity Interest Pledge Agreement" as used in this Agreement shall refer to the Interest Pledge Agreement executed by and among Party A, Party B and Party C on the date hereof and any modification, amendment and restatement thereto. "Party B's Power of Attorney" as used in this Agreement shall refer to the Power of Attorney executed by Party B on the date hereof granting Party A with power of attorney and any modification, amendment and restatement thereto.

2. Covenants

2.1 Covenants regarding Party C

Party B (as a shareholder of Party C) and Party C hereby covenant as follows:

2.1.1 Without the prior written consent of Party A, they shall not in any manner supplement, change or amend the articles of association of Party C, increase or decrease its registered capital, or change its structure of registered capital in other manners;

2.1.2 They shall maintain Party C's corporate existence in accordance with good financial and business standards and practices, obtain and maintain all necessary government licenses and permits by prudently and effectively operating its business and handling its affairs;

2.1.3 Without the prior written consent of Party A, they shall not at any time following the date hereof, sell, transfer, mortgage or dispose of in any manner any assets of Party C or legal or beneficial interest in the material business or revenues of Party C, or allow the encumbrance thereon of any security interest;

2.1.4 Without the prior written consent of Party A, they shall not incur, inherit, guarantee or suffer the existence of any debt, except for payables incurred in the ordinary course of business other than through loans;

2.1.5 They shall always operate all of Party C's businesses in the ordinary course of business to maintain the asset value of Party C and refrain from any action/omission that may affect Party C's operating status and asset value;

2.1.6 Without the prior written consent of Party A, they shall not cause Party C to execute any major contract, except the contracts in the ordinary course of business (for purpose of this subsection, a contract with a price exceeding RMB100,000 shall be deemed a major contract);

2.1.7 Without the prior written consent of Party A, they shall not cause Party C to provide any person with any loan or credit;

2.1.8 They shall provide Party A with information on Party C's business operations and financial condition at Party A's request;

2.1.9 If requested by Party A, they shall procure and maintain insurance in respect of Party C's assets and business from an insurance carrier acceptable to Party A, at an amount and type of coverage typical for companies that operate similar businesses;

2.1.10 Without the prior written consent of Party A, they shall not cause or permit Party C to merge, consolidate with, acquire or invest in any person;

2.1.11 They shall immediately notify Party A of the occurrence or possible occurrence of any litigation, arbitration or administrative proceedings relating to Party C's assets, business or revenue;

2.1.12 To maintain the ownership by Party C of all of its assets, they shall execute all necessary or appropriate documents, take all necessary or appropriate actions, file all necessary or appropriate complaints, and raise necessary or appropriate defenses against all claims;

2.1.13 Without the prior written consent of Party A, they shall ensure that Party C shall not in any manner distribute dividends to its shareholders, provided that upon Party A's written request, Party C shall immediately distribute all distributable profits to its shareholders;

2.1.14 At the request of Party A, they shall appoint any person designated by Party A as the director or executive director of Party C.

2.1.15 Without Party A's prior written consent, they shall not engage in any business in competition with Party A or its affiliates; and

2.1.16 Unless otherwise required by PRC law, Party C shall not be dissolved or liquated without prior written consent by Party A.

2.2 Covenants of Party B

Party B hereby covenants as follows:

2.2.1 Without the prior written consent of Party A, Party B shall not sell, transfer, mortgage or dispose of in any other manner any legal or beneficial interest in the equity interests in Party C held by Party B, or allow the encumbrance thereon, except for the interest placed in accordance with Party B's Equity Interest Pledge Agreement and Party B's Power of Attorney;

2.2.2 Without the prior written consent of Party A, Party B shall cause the shareholders' meeting and/or the directors (or the executive director) of Party C not to approve any sale, transfer, mortgage or disposition in any other manner of any legal or beneficial interest in the equity interests in Party C held by Party B, or allow the encumbrance thereon of any security interest, except for the interest placed in accordance with Party B's Equity Interest Pledge Agreement and Party B's Power of Attorney;

2.2.3 Without the prior written consent of Party A, Party B shall cause the shareholders' meeting or the directors (or the executive director) of Party C not to approve the merger or consolidation with any person, or the acquisition of or investment in any person;

2.2.4 Party B shall immediately notify Party A of the occurrence or possible occurrence of any litigation, arbitration or administrative proceedings relating to the equity interests in Party C held by Party B;

2.2.5 Party B shall cause the shareholders' meeting or the directors (or the executive director) of Party C to vote their approval of the transfer of the Optioned Interests as set forth in this Agreement and to take any and all other actions that may be requested by Party A;

2.2.6 To the extent necessary to maintain Party B's ownership in Party C, Party B shall execute all necessary or appropriate documents, take all necessary or appropriate actions, file all necessary or appropriate complaints, and raise necessary or appropriate defenses against all claims;

2.2.7 Party B shall appoint any designee of Party A as the director or the executive director of Party C, at the request of Party A;

2.2.8 Party B hereby waives its right of first of refusal to transfer of equity interest by any other shareholder of Party C to Party A (if any), and gives consent to execution by each other shareholder of Party C with Party A and Party C the exclusive option agreement, the equity interest pledge agreement and the power of attorney similar to this Agreement, Party B's Equity Interest Pledge Agreement and Party B's Power of Attorney and undertakes not to take any action in conflict with such documents executed by the other shareholders;

2.2.9 Party B shall promptly donate any profit, interest, dividend or proceeds of liquidation, or any proceeds from transferring its entire or a part of equity interest in Party C, to Party A or any other person designated by Party A to the extent permitted under applicable PRC laws; and

2.2.10 Party B shall strictly abide by the provisions of this Agreement and other contracts jointly or separately executed by and among Party B, Party C and Party A, perform the obligations hereunder and thereunder, and refrain from any action/omission that may affect the effectiveness and enforceability thereof. To the extent that Party B has any remaining rights with respect to the equity interests subject to this Agreement hereunder or under the Party B's Equity Interest Pledge Agreement or under the Party B's Power of Attorney, Party B shall not exercise such rights except in accordance with the written instructions of Party A.

3. Representations and Warranties

Party B and Party C hereby represent and warrant to Party A, jointly and severally, as of the date of this Agreement and each date of transfer of the Optioned Interests, that:

3.1 They have the power, capacity and authority to execute and deliver this Agreement and any equity interest transfer contracts to which they are parties concerning the Optioned Interests to be transferred thereunder (each, a "Transfer Contract"), and to perform their obligations under this Agreement and any Transfer Contracts. Party B and Party C agree to enter into Transfer Contracts consistent with the terms of this Agreement upon Party A's exercise of the Equity Interest Purchase Option. This Agreement and the Transfer Contracts to which they are parties constitute or will constitute their legal, valid and binding obligations and shall be enforceable against them in accordance with the provisions thereof;

3.2 Party B and Party C have obtained any and all approvals and consents from government authorities and third parties (if required) for execution, delivery and performance of this Agreement.

3.3 The execution and delivery of this Agreement or any Transfer Contracts and the obligations under this Agreement or any Transfer Contracts shall not: (i) cause any violation of any applicable laws of China; (ii) be inconsistent with the articles of association, bylaws or other organizational documents of Party C; (iii) cause the violation of any contracts or instruments to which they are a party or which are binding on them, or constitute any breach under any contracts or instruments to which they are a party or which are binding on them; (iv) cause any violation of any condition for the grant and/or continued effectiveness of any licenses or permits issued to either of them; or (v) cause the suspension or revocation of or imposition of additional conditions to any licenses or permits issued to either of them;

3.4 Party B has a good and merchantable title to the equity interests held by Party B in Party C. Except for Party B's Equity Interest Pledge Agreement and Party B's Power of Attorney, Party B has not placed any security interest on such equity interests;

3.5 Party C has a good and merchantable title to all of its assets, and has not placed any security interest on the aforementioned assets;

3.6 Party C does not have any outstanding debts, except for (i) debt incurred in the ordinary course of business; and (ii) debts disclosed to Party A for which Party A's written consent has been obtained.

3.7 Party C has complied with all applicable laws and regulations; and

3.8 There are no pending or threatened litigation, arbitration or administrative proceedings relating to the equity interests in Party C, assets of Party C or Party C.

4. Effective Date and Term

This Agreement shall become effective upon execution by the Parties, and remain effective until all equity interests held by Party B in Party C have been transferred or assigned to Party A and/or any other person designated by Party A in accordance with this Agreement.

5. Governing Law and Resolution of Disputes

5.1 Governing law

The execution, effectiveness, construction, performance, amendment and termination of this Agreement and the resolution of disputes hereunder shall be governed by the laws of PRC.

5.2 Methods of Resolution of Disputes

In the event of any dispute with respect to the construction and performance of this Agreement, the Parties shall first resolve the dispute through friendly negotiations. In the event the Parties fail to reach an agreement on the dispute within 30 days after either Party's request to the other Parties for resolution of the dispute through negotiations, either Party may submit the relevant dispute to the China International Economic and Trade Arbitration Commission for arbitration, in accordance with its arbitration rules. The arbitration shall be conducted in Beijing. The arbitration award shall be final and binding on all Parties.

6. Taxes and Fees

Each Party shall pay any and all transfer and registration tax, expenses and fees incurred thereby or levied thereon in accordance with the laws of China in connection with the preparation and execution of this Agreement and the Transfer Contracts, as well as the consummation of the transactions contemplated under this Agreement and the Transfer Contracts.

7. Notices

7.1 All notices and other communications required or permitted to be given pursuant to this Agreement shall be delivered personally or sent by registered mail, postage prepaid, by a commercial courier service or by facsimile transmission to the address of such Party set forth below. A confirmation copy of each notice shall also be sent by email. The dates on which notices shall be deemed to have been effectively given shall be determined as follows:

7.1.1 Notices given by personal delivery, by courier service or by registered mail, postage prepaid, shall be deemed effectively given on the date of receipt or refusal at the address specified for notices;

7.1.2 Notices given by facsimile transmission shall be deemed effectively given on the date of successful transmission (as evidenced by an automatically generated confirmation of transmission).

7.2 For the purpose of notices, the addresses of the Parties are as follows:

Party A: **Yiren Heng Ye Technology Development (Beijing) Co., Ltd.**
Address: 10/F, Building B, Jindi Center, 91 Jianguo Road, Chaoyang District, Beijing
Attn: Dennis Cong
Phone:
Email:

Party B: **Ning Tang**
Address:
Phone:
Email:

Party C: **CreditEase Huimin Investment Management (Beijing) Co., Ltd.**
Address: Floor 3, Building A, Wentelai Center, 1 West Dawang Road, Chaoyang District, Beijing
Attn: Ning Tang
Phone:
Email:

7.3 Any Party may at any time change its address for notices by a notice delivered to the other Parties in accordance with the terms hereof.

8. Confidentiality

The Parties acknowledge that the existence and the terms of this Agreement, and any oral or written information exchanged between the Parties in connection with the preparation and performance this Agreement are regarded as confidential information. Each Party shall maintain confidentiality of all such confidential information, and without obtaining the written consent of other Parties, it shall not disclose any relevant confidential information to any third parties, except for the information that: (a) is or will be in the public domain (other than through the receiving Party's unauthorized disclosure); (b) is under the obligation to be disclosed pursuant to the applicable laws or regulations, rules of any stock exchange, or orders of the court or other government authorities; or (c) is required to be disclosed by any Party to its shareholders, directors, employees, legal counsels or financial advisors regarding the transaction contemplated hereunder, provided that such shareholders, directors, employees, legal counsels or financial advisors shall be bound by the confidentiality obligations similar to those set forth in this Section. Disclosure of any confidential information by the shareholders, director, employees of or agencies engaged by any Party shall be deemed disclosure of such confidential information by such Party and such Party shall be held liable for breach of this Agreement.

9. Further Warranties

The Parties agree to promptly execute documents that are reasonably required for or are conducive to the implementation of the provisions and purposes of this Agreement and take further actions that are reasonably required for or are conducive to the implementation of the provisions and purposes of this Agreement.

10. Breach of Agreement

10.1 If Party B or Party C conducts any material breach of any term of this Agreement, Party A shall have right to terminate this Agreement and/or require the Party B or Party C to compensate all damages; this Section 10 shall not prejudice any other rights of Party A herein;

10.2 Party B or Party C shall not have any right to terminate this Agreement in any event unless otherwise required by applicable laws.

11. Miscellaneous

11.1 Amendment, change and supplement

Any amendment, change and supplement to this Agreement shall require the execution of a written agreement by all of the Parties.

11.2 Entire agreement

Except for the amendments, supplements or changes in writing executed after the execution of this Agreement, this Agreement shall constitute the entire agreement reached by and among the Parties hereto with respect to the subject matter hereof, and shall supercede all prior oral and written consultations, representations and contracts reached with respect to the subject matter of this Agreement.

11.3 Headings

The headings of this Agreement are for convenience only, and shall not be used to interpret, explain or otherwise affect the meanings of the provisions of this Agreement.

11.4 Language

This Agreement is written in both Chinese and English language in three copies, each Party having one copy. In case of any discrepancy between the Chinese version and the English version, the Chinese version shall prevail.

11.5 Severability

In the event that one or several of the provisions of this Agreement are found to be invalid, illegal or unenforceable in any aspect in accordance with any laws or regulations, the validity, legality or enforceability of the remaining provisions of this Agreement shall not be affected or compromised in any respect. The Parties shall strive in good faith to replace such invalid, illegal or unenforceable provisions with effective provisions that accomplish to the greatest extent permitted by law and the intentions of the Parties, and the economic effect of such effective provisions shall be as close as possible to the economic effect of those invalid, illegal or unenforceable provisions.

11.6 Successors

This Agreement shall be binding on and shall inure to the interest of the respective successors of the Parties and the permitted assigns of such Parties.

11.7 Survival

11.7.1 Any obligations that occur or that are due as a result of this Agreement upon the expiration or early termination of this Agreement shall survive the expiration or early termination thereof.

11.7.2 The provisions of Sections 5, 8, 10 and this Section 11.7 shall survive the termination of this Agreement.

11.8 Waivers

Any Party may waive the terms and conditions of this Agreement, provided that such a waiver must be provided in writing and shall require the signatures of the Parties. No waiver by any Party in certain circumstances with respect to a breach by other Parties shall operate as a waiver by such a Party with respect to any similar breach in other circumstances.

IN WITNESS WHEREOF, the Parties have caused their authorized representatives to execute this Exclusive Option Agreement as of the date first above written.

Party A: **Yiren Heng Ye Technology Development (Beijing) Co., Ltd. (Seal)**

By: /s/ Ning Tang (Company seal affixed)
Name: Ning Tang
Title: Legal Representative

Party B: **Ning Tang**

By: /s/ Ning Tang

Party C: **CreditEase Huimin Investment Management (Beijing) Co., Ltd. (Seal)**

By: /s/ Ning Tang (Company seal affixed)
Name: Ning Tang
Title: Legal Representative

Exclusive Option Agreement

This Exclusive Option Agreement (this "Agreement") is executed by and among the following Parties as of March 25, 2019 in Beijing, the People's Republic of China ("China" or the "PRC"):

Party A: **Yiren Heng Ye Technology Development (Beijing) Co., Ltd.**, a wholly foreign owned enterprise, organized and existing under the laws of the PRC, with its address at Room 1018, Floor 10, Building 9, Yard No. 91, Jianguo Street, Chaoyang District, Beijing;

Party B: **Yan Tian**, a Chinese citizen with Identification No.: ; and

Party C: **CreditEase Huimin Investment Management (Beijing) Co., Ltd.**, a limited liability company organized and existing under the laws of the PRC, with its address at Room 1506, Floor 12, Building 1, West Dawang Street, Chaoyang District, Beijing.

In this Agreement, each of Party A, Party B and Party C shall be referred to as a "Party" respectively, and they shall be collectively referred to as the "Parties".

Whereas:

1. Party B is a shareholder of Party C and as of the date hereof holds 3.05% of equity interests of Party C, representing RMB6,100,000 in the registered capital of Party C.

2. Party A and Party B executed a Loan Agreement ("Loan Agreement") on March 25, 2019, according to which Party A agreed to provide Party B with a loan in amount of RMB 6,100,000, to be used for the purpose of subscribing the increased registered capital of Party C.

3. Party B agrees to grant Party A an exclusive right through this Agreement, and Party A agrees to accept such exclusive right to purchase all or part equity interest held by Party B in Party C.

Now therefore, upon mutual discussion and negotiation, the Parties have reached the following agreement:

1. Sale and Purchase of Equity Interest

1.1 Option Granted

In consideration of the payment of RMB10 by Party A, the receipt and adequacy of which is hereby acknowledged by Party B, Party B hereby irrevocably grants Party A an irrevocable and exclusive right to purchase, or designate one or more persons (each, a "Designee") to purchase the equity interests in Party C then held by Party B once or at multiple times at any time in part or in whole at Party A's sole and absolute discretion to the extent permitted by Chinese laws and at the price described in Section 1.3 herein (such right being the "Equity Interest Purchase Option"). Except for Party A and the Designee(s), no other person shall be entitled to the Equity Interest Purchase Option or other rights with respect to the equity interests of Party B. Party C hereby agrees to the grant by Party B of the Equity Interest Purchase Option to Party A. The term "person" as used herein shall refer to individuals, corporations, partnerships, partners, enterprises, trusts or non-corporate organizations.

1.2 Steps for Exercise of Equity Interest Purchase Option

Subject to the provisions of the laws and regulations of China, Party A may exercise the Equity Interest Purchase Option by issuing a written notice to Party B (the "Equity Interest Purchase Option Notice"), specifying: (a) Party A's or the Designee's decision to exercise the Equity Interest Purchase Option; (b) the portion of equity interests to be purchased by Party A or the Designee from Party B (the "Optioned Interests"); and (c) the date for purchasing the Optioned Interests or the date for transfer of the Optioned Interests.

1.3 Equity Interest Purchase Price

The purchase price of all equity interests held by Party B in Party C purchased by Party A by exercising the Equity Interest Purchase Option shall equal to the amount of registered capital contributed by Party B in Party C for such Optioned Interests (or such price may be as set forth in the equity transfer agreement to be executed between Party A (or the Designee) and Party B separately, provided that such price does not violate PRC laws and regulations and is acceptable to Party A); if Party A exercises the Equity Interest Purchase Option to purchase part of the equity interests held by Party B in Party C, the purchase price shall be calculated pro rata. If PRC law requires a minimum price higher than aforementioned price when Party A exercises Equity Interest Purchase Option, the minimum price regulated by PRC law shall be the purchase price (collectively, the "Equity Interest Purchase Price").

1.4 Transfer of Optioned Interests

For each exercise of the Equity Interest Purchase Option:

1.4.1 Party B shall cause Party C to promptly convene a shareholders' meeting, at which a resolution shall be adopted approving Party B's transfer of the Optioned Interests to Party A and/or the Designee(s);

1.4.2 Party B shall obtain written statements from the other shareholders of Party C giving consent to the transfer of the equity interest to Party A and/or the Designee(s) and waiving any right of first refusal related thereto;

1.4.3 Party B shall execute an equity interest transfer contract with respect to each transfer with Party A and/or each Designee (whichever is applicable), in accordance with the provisions of this Agreement and the Equity Interest Purchase Option Notice regarding the Optioned Interests;

1.4.4 The relevant Parties shall execute all other necessary contracts, agreements or documents, obtain all necessary government licenses and permits and take all necessary actions to transfer valid ownership of the Optioned Interests to Party A and/or the Designee(s), unencumbered by any security interests, and cause Party A and/or the Designee(s) to become the registered owner(s) of the Optioned Interests. For the purpose of this Section and this Agreement, "security interests" shall include securities, mortgages, third party's rights or interests, any stock options, acquisition right, right of first refusal, right to offset, ownership retention or other security arrangements, but shall be deemed to exclude any security interest created by this Agreement, Party B's Equity Interest Pledge Agreement and Party B's Power of Attorney. "Party B's Equity Interest Pledge Agreement" as used in this Agreement shall refer to the Interest Pledge Agreement executed by and among Party A, Party B and Party C on the date hereof and any modification, amendment and restatement thereto. "Party B's Power of Attorney" as used in this Agreement shall refer to the Power of Attorney executed by Party B on the date hereof granting Party A with power of attorney and any modification, amendment and restatement thereto.

2. Covenants

2.1 Covenants regarding Party C

Party B (as a shareholder of Party C) and Party C hereby covenant as follows:

2.1.1 Without the prior written consent of Party A, they shall not in any manner supplement, change or amend the articles of association of Party C, increase or decrease its registered capital, or change its structure of registered capital in other manners;

2.1.2 They shall maintain Party C's corporate existence in accordance with good financial and business standards and practices, obtain and maintain all necessary government licenses and permits by prudently and effectively operating its business and handling its affairs;

2.1.3 Without the prior written consent of Party A, they shall not at any time following the date hereof, sell, transfer, mortgage or dispose of in any manner any assets of Party C or legal or beneficial interest in the material business or revenues of Party C, or allow the encumbrance thereon of any security interest;

2.1.4 Without the prior written consent of Party A, they shall not incur, inherit, guarantee or suffer the existence of any debt, except for payables incurred in the ordinary course of business other than through loans;

2.1.5 They shall always operate all of Party C's businesses in the ordinary course of business to maintain the asset value of Party C and refrain from any action/omission that may affect Party C's operating status and asset value;

2.1.6 Without the prior written consent of Party A, they shall not cause Party C to execute any major contract, except the contracts in the ordinary course of business (for purpose of this subsection, a contract with a price exceeding RMB100,000 shall be deemed a major contract);

2.1.7 Without the prior written consent of Party A, they shall not cause Party C to provide any person with any loan or credit;

2.1.8 They shall provide Party A with information on Party C's business operations and financial condition at Party A's request;

2.1.9 If requested by Party A, they shall procure and maintain insurance in respect of Party C's assets and business from an insurance carrier acceptable to Party A, at an amount and type of coverage typical for companies that operate similar businesses;

2.1.10 Without the prior written consent of Party A, they shall not cause or permit Party C to merge, consolidate with, acquire or invest in any person;

2.1.11 They shall immediately notify Party A of the occurrence or possible occurrence of any litigation, arbitration or administrative proceedings relating to Party C's assets, business or revenue;

2.1.12 To maintain the ownership by Party C of all of its assets, they shall execute all necessary or appropriate documents, take all necessary or appropriate actions, file all necessary or appropriate complaints, and raise necessary or appropriate defenses against all claims;

2.1.13 Without the prior written consent of Party A, they shall ensure that Party C shall not in any manner distribute dividends to its shareholders, provided that upon Party A's written request, Party C shall immediately distribute all distributable profits to its shareholders;

2.1.14 At the request of Party A, they shall appoint any person designated by Party A as the director or executive director of Party C.

2.1.15 Without Party A's prior written consent, they shall not engage in any business in competition with Party A or its affiliates; and

2.1.16 Unless otherwise required by PRC law, Party C shall not be dissolved or liquated without prior written consent by Party A.

2.2 Covenants of Party B

Party B hereby covenants as follows:

2.2.1 Without the prior written consent of Party A, Party B shall not sell, transfer, mortgage or dispose of in any other manner any legal or beneficial interest in the equity interests in Party C held by Party B, or allow the encumbrance thereon, except for the interest placed in accordance with Party B's Equity Interest Pledge Agreement and Party B's Power of Attorney;

2.2.2 Without the prior written consent of Party A, Party B shall cause the shareholders' meeting and/or the directors (or the executive director) of Party C not to approve any sale, transfer, mortgage or disposition in any other manner of any legal or beneficial interest in the equity interests in Party C held by Party B, or allow the encumbrance thereon of any security interest, except for the interest placed in accordance with Party B's Equity Interest Pledge Agreement and Party B's Power of Attorney;

2.2.3 Without the prior written consent of Party A, Party B shall cause the shareholders' meeting or the directors (or the executive director) of Party C not to approve the merger or consolidation with any person, or the acquisition of or investment in any person;

2.2.4 Party B shall immediately notify Party A of the occurrence or possible occurrence of any litigation, arbitration or administrative proceedings relating to the equity interests in Party C held by Party B;

2.2.5 Party B shall cause the shareholders' meeting or the directors (or the executive director) of Party C to vote their approval of the transfer of the Optioned Interests as set forth in this Agreement and to take any and all other actions that may be requested by Party A;

2.2.6 To the extent necessary to maintain Party B's ownership in Party C, Party B shall execute all necessary or appropriate documents, take all necessary or appropriate actions, file all necessary or appropriate complaints, and raise necessary or appropriate defenses against all claims;

2.2.7 Party B shall appoint any designee of Party A as the director or the executive director of Party C, at the request of Party A;

2.2.8 Party B hereby waives its right of first of refusal to transfer of equity interest by any other shareholder of Party C to Party A (if any), and gives consent to execution by each other shareholder of Party C with Party A and Party C the exclusive option agreement, the equity interest pledge agreement and the power of attorney similar to this Agreement, Party B's Equity Interest Pledge Agreement and Party B's Power of Attorney and undertakes not to take any action in conflict with such documents executed by the other shareholders;

2.2.9 Party B shall promptly donate any profit, interest, dividend or proceeds of liquidation, or any proceeds from transferring its entire or a part of equity interest in Party C, to Party A or any other person designated by Party A to the extent permitted under applicable PRC laws; and

2.2.10 Party B shall strictly abide by the provisions of this Agreement and other contracts jointly or separately executed by and among Party B, Party C and Party A, perform the obligations hereunder and thereunder, and refrain from any action/omission that may affect the effectiveness and enforceability thereof. To the extent that Party B has any remaining rights with respect to the equity interests subject to this Agreement hereunder or under the Party B's Equity Interest Pledge Agreement or under the Party B's Power of Attorney, Party B shall not exercise such rights except in accordance with the written instructions of Party A.

3. Representations and Warranties

Party B and Party C hereby represent and warrant to Party A, jointly and severally, as of the date of this Agreement and each date of transfer of the Optioned Interests, that:

3.1 They have the power, capacity and authority to execute and deliver this Agreement and any equity interest transfer contracts to which they are parties concerning the Optioned Interests to be transferred thereunder (each, a "Transfer Contract"), and to perform their obligations under this Agreement and any Transfer Contracts. Party B and Party C agree to enter into Transfer Contracts consistent with the terms of this Agreement upon Party A's exercise of the Equity Interest Purchase Option. This Agreement and the Transfer Contracts to which they are parties constitute or will constitute their legal, valid and binding obligations and shall be enforceable against them in accordance with the provisions thereof;

3.2 Party B and Party C have obtained any and all approvals and consents from government authorities and third parties (if required) for execution, delivery and performance of this Agreement.

3.3 The execution and delivery of this Agreement or any Transfer Contracts and the obligations under this Agreement or any Transfer Contracts shall not: (i) cause any violation of any applicable laws of China; (ii) be inconsistent with the articles of association, bylaws or other organizational documents of Party C; (iii) cause the violation of any contracts or instruments to which they are a party or which are binding on them, or constitute any breach under any contracts or instruments to which they are a party or which are binding on them; (iv) cause any violation of any condition for the grant and/or continued effectiveness of any licenses or permits issued to either of them; or (v) cause the suspension or revocation of or imposition of additional conditions to any licenses or permits issued to either of them;

3.4 Party B has a good and merchantable title to the equity interests held by Party B in Party C. Except for Party B's Equity Interest Pledge Agreement and Party B's Power of Attorney, Party B has not placed any security interest on such equity interests;

3.5 Party C has a good and merchantable title to all of its assets, and has not placed any security interest on the aforementioned assets;

3.6 Party C does not have any outstanding debts, except for (i) debt incurred in the ordinary course of business; and (ii) debts disclosed to Party A for which Party A's written consent has been obtained.

3.7 Party C has complied with all applicable laws and regulations; and

3.8 There are no pending or threatened litigation, arbitration or administrative proceedings relating to the equity interests in Party C, assets of Party C or Party C.

4. Effective Date and Term

This Agreement shall become effective upon execution by the Parties, and remain effective until all equity interests held by Party B in Party C have been transferred or assigned to Party A and/or any other person designated by Party A in accordance with this Agreement.

5. Governing Law and Resolution of Disputes

5.1 Governing law

The execution, effectiveness, construction, performance, amendment and termination of this Agreement and the resolution of disputes hereunder shall be governed by the laws of PRC.

5.2 Methods of Resolution of Disputes

In the event of any dispute with respect to the construction and performance of this Agreement, the Parties shall first resolve the dispute through friendly negotiations. In the event the Parties fail to reach an agreement on the dispute within 30 days after either Party's request to the other Parties for resolution of the dispute through negotiations, either Party may submit the relevant dispute to the China International Economic and Trade Arbitration Commission for arbitration, in accordance with its arbitration rules. The arbitration shall be conducted in Beijing. The arbitration award shall be final and binding on all Parties.

6. Taxes and Fees

Each Party shall pay any and all transfer and registration tax, expenses and fees incurred thereby or levied thereon in accordance with the laws of China in connection with the preparation and execution of this Agreement and the Transfer Contracts, as well as the consummation of the transactions contemplated under this Agreement and the Transfer Contracts.

7. Notices

7.1 All notices and other communications required or permitted to be given pursuant to this Agreement shall be delivered personally or sent by registered mail, postage prepaid, by a commercial courier service or by facsimile transmission to the address of such Party set forth below. A confirmation copy of each notice shall also be sent by email. The dates on which notices shall be deemed to have been effectively given shall be determined as follows:

7.1.1 Notices given by personal delivery, by courier service or by registered mail, postage prepaid, shall be deemed effectively given on the date of receipt or refusal at the address specified for notices;

7.1.2 Notices given by facsimile transmission shall be deemed effectively given on the date of successful transmission (as evidenced by an automatically generated confirmation of transmission).

7.2 For the purpose of notices, the addresses of the Parties are as follows:

Party A: **Yiren Heng Ye Technology Development (Beijing) Co., Ltd.**
Address: 10/F, Building B, Jindi Center, 91 Jianguo Road, Chaoyang District, Beijing
Attn: Dennis Cong
Phone:
Email:

Party B: **Yan Tian**
Address:
Phone:
Email:

Party C: **CreditEase Huimin Investment Management (Beijing) Co., Ltd.**
Address: Floor 3, Building A, Wentelai Center, 1 West Dawang Road, Chaoyang District, Beijing
Attn: Ning Tang
Phone:
Email:

7.3 Any Party may at any time change its address for notices by a notice delivered to the other Parties in accordance with the terms hereof.

9. Confidentiality

The Parties acknowledge that the existence and the terms of this Agreement, and any oral or written information exchanged between the Parties in connection with the preparation and performance this Agreement are regarded as confidential information. Each Party shall maintain confidentiality of all such confidential information, and without obtaining the written consent of other Parties, it shall not disclose any relevant confidential information to any third parties, except for the information that: (a) is or will be in the public domain (other than through the receiving Party's unauthorized disclosure); (b) is under the obligation to be disclosed pursuant to the applicable laws or regulations, rules of any stock exchange, or orders of the court or other government authorities; or (c) is required to be disclosed by any Party to its shareholders, directors, employees, legal counsels or financial advisors regarding the transaction contemplated hereunder, provided that such shareholders, directors, employees, legal counsels or financial advisors shall be bound by the confidentiality obligations similar to those set forth in this Section. Disclosure of any confidential information by the shareholders, director, employees of or agencies engaged by any Party shall be deemed disclosure of such confidential information by such Party and such Party shall be held liable for breach of this Agreement.

10. Further Warranties

The Parties agree to promptly execute documents that are reasonably required for or are conducive to the implementation of the provisions and purposes of this Agreement and take further actions that are reasonably required for or are conducive to the implementation of the provisions and purposes of this Agreement.

11. Breach of Agreement

10.1 If Party B or Party C conducts any material breach of any term of this Agreement, Party A shall have right to terminate this Agreement and/or require the Party B or Party C to compensate all damages; this Section 10 shall not prejudice any other rights of Party A herein;

10.2 Party B or Party C shall not have any right to terminate this Agreement in any event unless otherwise required by applicable laws.

11. Miscellaneous

11.1 Amendment, change and supplement

Any amendment, change and supplement to this Agreement shall require the execution of a written agreement by all of the Parties.

11.2 Entire agreement

Except for the amendments, supplements or changes in writing executed after the execution of this Agreement, this Agreement shall constitute the entire agreement reached by and among the Parties hereto with respect to the subject matter hereof, and shall supercede all prior oral and written consultations, representations and contracts reached with respect to the subject matter of this Agreement.

11.3 Headings

The headings of this Agreement are for convenience only, and shall not be used to interpret, explain or otherwise affect the meanings of the provisions of this Agreement.

11.4 Language

This Agreement is written in both Chinese and English language in three copies, each Party having one copy. In case of any discrepancy between the Chinese version and the English version, the Chinese version shall prevail.

11.5 Severability

In the event that one or several of the provisions of this Agreement are found to be invalid, illegal or unenforceable in any aspect in accordance with any laws or regulations, the validity, legality or enforceability of the remaining provisions of this Agreement shall not be affected or compromised in any respect. The Parties shall strive in good faith to replace such invalid, illegal or unenforceable provisions with effective provisions that accomplish to the greatest extent permitted by law and the intentions of the Parties, and the economic effect of such effective provisions shall be as close as possible to the economic effect of those invalid, illegal or unenforceable provisions.

11.6 Successors

This Agreement shall be binding on and shall inure to the interest of the respective successors of the Parties and the permitted assigns of such Parties.

11.7 Survival

11.7.1 Any obligations that occur or that are due as a result of this Agreement upon the expiration or early termination of this Agreement shall survive the expiration or early termination thereof.

11.7.2 The provisions of Sections 5, 8, 10 and this Section 11.7 shall survive the termination of this Agreement.

11.8 Waivers

Any Party may waive the terms and conditions of this Agreement, provided that such a waiver must be provided in writing and shall require the signatures of the Parties. No waiver by any Party in certain circumstances with respect to a breach by other Parties shall operate as a waiver by such a Party with respect to any similar breach in other circumstances.

IN WITNESS WHEREOF, the Parties have caused their authorized representatives to execute this Exclusive Option Agreement as of the date first above written.

Party A: **Yiren Heng Ye Technology Development (Beijing) Co., Ltd. (Seal)**

By: /s/ Ning Tang (Company seal affixed)
Name: Ning Tang
Title: Legal Representative

Party B: **Yan Tian**

By: /s/ Yan Tian

Party C: **CreditEase Huimin Investment Management (Beijing) Co., Ltd. (Seal)**

By: /s/ Ning Tang (Company seal affixed)
Name: Ning Tang
Title: Legal Representative

Exclusive Option Agreement

This Exclusive Option Agreement (this "Agreement") is executed by and among the following Parties as of March 25, 2019 in Beijing, the People's Republic of China ("China" or the "PRC"):

Party A: **Yiren Heng Ye Technology Development (Beijing) Co., Ltd.**, a wholly foreign owned enterprise, organized and existing under the laws of the PRC, with its address at Room 1018, Floor 10, Building 9, Yard No. 91, Jianguo Street, Chaoyang District, Beijing;

Party B: **Mei Zhao**, a Chinese citizen with Identification No.: ; and

Party C: **CreditEase Huimin Investment Management (Beijing) Co., Ltd.**, a limited liability company organized and existing under the laws of the PRC, with its address at Room 1506, Floor 12, Building 1, West Dawang Street, Chaoyang District, Beijing.

In this Agreement, each of Party A, Party B and Party C shall be referred to as a "Party" respectively, and they shall be collectively referred to as the "Parties".

Whereas:

1. Party B is a shareholder of Party C and as of the date hereof holds 3.85% of equity interests of Party C, representing RMB7,700,000 in the registered capital of Party C.

2. Party A and Party B executed a Loan Agreement ("Loan Agreement") on March 25, 2019, according to which Party A agreed to provide Party B with a loan in amount of RMB 7,700,000, to be used for the purpose of subscribing the increased registered capital of Party C.

3. Party B agrees to grant Party A an exclusive right through this Agreement, and Party A agrees to accept such exclusive right to purchase all or part equity interest held by Party B in Party C.

Now therefore, upon mutual discussion and negotiation, the Parties have reached the following agreement:

1. Sale and Purchase of Equity Interest

1.1 Option Granted

In consideration of the payment of RMB10 by Party A, the receipt and adequacy of which is hereby acknowledged by Party B, Party B hereby irrevocably grants Party A an irrevocable and exclusive right to purchase, or designate one or more persons (each, a "Designee") to purchase the equity interests in Party C then held by Party B once or at multiple times at any time in part or in whole at Party A's sole and absolute discretion to the extent permitted by Chinese laws and at the price described in Section 1.3 herein (such right being the "Equity Interest Purchase Option"). Except for Party A and the Designee(s), no other person shall be entitled to the Equity Interest Purchase Option or other rights with respect to the equity interests of Party B. Party C hereby agrees to the grant by Party B of the Equity Interest Purchase Option to Party A. The term "person" as used herein shall refer to individuals, corporations, partnerships, partners, enterprises, trusts or non-corporate organizations.

1.2 Steps for Exercise of Equity Interest Purchase Option

Subject to the provisions of the laws and regulations of China, Party A may exercise the Equity Interest Purchase Option by issuing a written notice to Party B (the "Equity Interest Purchase Option Notice"), specifying: (a) Party A's or the Designee's decision to exercise the Equity Interest Purchase Option; (b) the portion of equity interests to be purchased by Party A or the Designee from Party B (the "Optioned Interests"); and (c) the date for purchasing the Optioned Interests or the date for transfer of the Optioned Interests.

1.3 Equity Interest Purchase Price

The purchase price of all equity interests held by Party B in Party C purchased by Party A by exercising the Equity Interest Purchase Option shall equal to the amount of registered capital contributed by Party B in Party C for such Optioned Interests (or such price may be as set forth in the equity transfer agreement to be executed between Party A (or the Designee) and Party B separately, provided that such price does not violate PRC laws and regulations and is acceptable to Party A); if Party A exercises the Equity Interest Purchase Option to purchase part of the equity interests held by Party B in Party C, the purchase price shall be calculated pro rata. If PRC law requires a minimum price higher than aforementioned price when Party A exercises Equity Interest Purchase Option, the minimum price regulated by PRC law shall be the purchase price (collectively, the "Equity Interest Purchase Price").

1.4 Transfer of Optioned Interests

For each exercise of the Equity Interest Purchase Option:

1.4.1 Party B shall cause Party C to promptly convene a shareholders' meeting, at which a resolution shall be adopted approving Party B's transfer of the Optioned Interests to Party A and/or the Designee(s);

1.4.2 Party B shall obtain written statements from the other shareholders of Party C giving consent to the transfer of the equity interest to Party A and/or the Designee(s) and waiving any right of first refusal related thereto;

1.4.3 Party B shall execute an equity interest transfer contract with respect to each transfer with Party A and/or each Designee (whichever is applicable), in accordance with the provisions of this Agreement and the Equity Interest Purchase Option Notice regarding the Optioned Interests;

1.4.4 The relevant Parties shall execute all other necessary contracts, agreements or documents, obtain all necessary government licenses and permits and take all necessary actions to transfer valid ownership of the Optioned Interests to Party A and/or the Designee(s), unencumbered by any security interests, and cause Party A and/or the Designee(s) to become the registered owner(s) of the Optioned Interests. For the purpose of this Section and this Agreement, "security interests" shall include securities, mortgages, third party's rights or interests, any stock options, acquisition right, right of first refusal, right to offset, ownership retention or other security arrangements, but shall be deemed to exclude any security interest created by this Agreement, Party B's Equity Interest Pledge Agreement and Party B's Power of Attorney. "Party B's Equity Interest Pledge Agreement" as used in this Agreement shall refer to the Interest Pledge Agreement executed by and among Party A, Party B and Party C on the date hereof and any modification, amendment and restatement thereto. "Party B's Power of Attorney" as used in this Agreement shall refer to the Power of Attorney executed by Party B on the date hereof granting Party A with power of attorney and any modification, amendment and restatement thereto.

2. Covenants

2.1 Covenants regarding Party C

Party B (as a shareholder of Party C) and Party C hereby covenant as follows:

2.1.1 Without the prior written consent of Party A, they shall not in any manner supplement, change or amend the articles of association of Party C, increase or decrease its registered capital, or change its structure of registered capital in other manners;

2.1.2 They shall maintain Party C's corporate existence in accordance with good financial and business standards and practices, obtain and maintain all necessary government licenses and permits by prudently and effectively operating its business and handling its affairs;

2.1.3 Without the prior written consent of Party A, they shall not at any time following the date hereof, sell, transfer, mortgage or dispose of in any manner any assets of Party C or legal or beneficial interest in the material business or revenues of Party C, or allow the encumbrance thereon of any security interest;

2.1.4 Without the prior written consent of Party A, they shall not incur, inherit, guarantee or suffer the existence of any debt, except for payables incurred in the ordinary course of business other than through loans;

2.1.5 They shall always operate all of Party C's businesses in the ordinary course of business to maintain the asset value of Party C and refrain from any action/omission that may affect Party C's operating status and asset value;

2.1.6 Without the prior written consent of Party A, they shall not cause Party C to execute any major contract, except the contracts in the ordinary course of business (for purpose of this subsection, a contract with a price exceeding RMB100,000 shall be deemed a major contract);

2.1.7 Without the prior written consent of Party A, they shall not cause Party C to provide any person with any loan or credit;

2.1.8 They shall provide Party A with information on Party C's business operations and financial condition at Party A's request;

2.1.9 If requested by Party A, they shall procure and maintain insurance in respect of Party C's assets and business from an insurance carrier acceptable to Party A, at an amount and type of coverage typical for companies that operate similar businesses;

2.1.10 Without the prior written consent of Party A, they shall not cause or permit Party C to merge, consolidate with, acquire or invest in any person;

2.1.11 They shall immediately notify Party A of the occurrence or possible occurrence of any litigation, arbitration or administrative proceedings relating to Party C's assets, business or revenue;

2.1.12 To maintain the ownership by Party C of all of its assets, they shall execute all necessary or appropriate documents, take all necessary or appropriate actions, file all necessary or appropriate complaints, and raise necessary or appropriate defenses against all claims;

2.1.13 Without the prior written consent of Party A, they shall ensure that Party C shall not in any manner distribute dividends to its shareholders, provided that upon Party A's written request, Party C shall immediately distribute all distributable profits to its shareholders;

2.1.14 At the request of Party A, they shall appoint any person designated by Party A as the director or executive director of Party C.

2.1.15 Without Party A's prior written consent, they shall not engage in any business in competition with Party A or its affiliates; and

2.1.16 Unless otherwise required by PRC law, Party C shall not be dissolved or liquated without prior written consent by Party A.

2.2 Covenants of Party B

Party B hereby covenants as follows:

2.2.1 Without the prior written consent of Party A, Party B shall not sell, transfer, mortgage or dispose of in any other manner any legal or beneficial interest in the equity interests in Party C held by Party B, or allow the encumbrance thereon, except for the interest placed in accordance with Party B's Equity Interest Pledge Agreement and Party B's Power of Attorney;

2.2.2 Without the prior written consent of Party A, Party B shall cause the shareholders' meeting and/or the directors (or the executive director) of Party C not to approve any sale, transfer, mortgage or disposition in any other manner of any legal or beneficial interest in the equity interests in Party C held by Party B, or allow the encumbrance thereon of any security interest, except for the interest placed in accordance with Party B's Equity Interest Pledge Agreement and Party B's Power of Attorney;

2.2.3 Without the prior written consent of Party A, Party B shall cause the shareholders' meeting or the directors (or the executive director) of Party C not to approve the merger or consolidation with any person, or the acquisition of or investment in any person;

2.2.4 Party B shall immediately notify Party A of the occurrence or possible occurrence of any litigation, arbitration or administrative proceedings relating to the equity interests in Party C held by Party B;

2.2.5 Party B shall cause the shareholders' meeting or the directors (or the executive director) of Party C to vote their approval of the transfer of the Optioned Interests as set forth in this Agreement and to take any and all other actions that may be requested by Party A;

2.2.6 To the extent necessary to maintain Party B's ownership in Party C, Party B shall execute all necessary or appropriate documents, take all necessary or appropriate actions, file all necessary or appropriate complaints, and raise necessary or appropriate defenses against all claims;

2.2.7 Party B shall appoint any designee of Party A as the director or the executive director of Party C, at the request of Party A;

2.2.8 Party B hereby waives its right of first of refusal to transfer of equity interest by any other shareholder of Party C to Party A (if any), and gives consent to execution by each other shareholder of Party C with Party A and Party C the exclusive option agreement, the equity interest pledge agreement and the power of attorney similar to this Agreement, Party B's Equity Interest Pledge Agreement and Party B's Power of Attorney and undertakes not to take any action in conflict with such documents executed by the other shareholders;

2.2.9 Party B shall promptly donate any profit, interest, dividend or proceeds of liquidation, or any proceeds from transferring its entire or a part of equity interest in Party C, to Party A or any other person designated by Party A to the extent permitted under applicable PRC laws; and

2.2.10 Party B shall strictly abide by the provisions of this Agreement and other contracts jointly or separately executed by and among Party B, Party C and Party A, perform the obligations hereunder and thereunder, and refrain from any action/omission that may affect the effectiveness and enforceability thereof. To the extent that Party B has any remaining rights with respect to the equity interests subject to this Agreement hereunder or under the Party B's Equity Interest Pledge Agreement or under the Party B's Power of Attorney, Party B shall not exercise such rights except in accordance with the written instructions of Party A.

3. Representations and Warranties

Party B and Party C hereby represent and warrant to Party A, jointly and severally, as of the date of this Agreement and each date of transfer of the Optioned Interests, that:

3.1 They have the power, capacity and authority to execute and deliver this Agreement and any equity interest transfer contracts to which they are parties concerning the Optioned Interests to be transferred thereunder (each, a "Transfer Contract"), and to perform their obligations under this Agreement and any Transfer Contracts. Party B and Party C agree to enter into Transfer Contracts consistent with the terms of this Agreement upon Party A's exercise of the Equity Interest Purchase Option. This Agreement and the Transfer Contracts to which they are parties constitute or will constitute their legal, valid and binding obligations and shall be enforceable against them in accordance with the provisions thereof;

3.2 Party B and Party C have obtained any and all approvals and consents from government authorities and third parties (if required) for execution, delivery and performance of this Agreement.

3.3 The execution and delivery of this Agreement or any Transfer Contracts and the obligations under this Agreement or any Transfer Contracts shall not: (i) cause any violation of any applicable laws of China; (ii) be inconsistent with the articles of association, bylaws or other organizational documents of Party C; (iii) cause the violation of any contracts or instruments to which they are a party or which are binding on them, or constitute any breach under any contracts or instruments to which they are a party or which are binding on them; (iv) cause any violation of any condition for the grant and/or continued effectiveness of any licenses or permits issued to either of them; or (v) cause the suspension or revocation of or imposition of additional conditions to any licenses or permits issued to either of them;

3.4 Party B has a good and merchantable title to the equity interests held by Party B in Party C. Except for Party B's Equity Interest Pledge Agreement and Party B's Power of Attorney, Party B has not placed any security interest on such equity interests;

3.5 Party C has a good and merchantable title to all of its assets, and has not placed any security interest on the aforementioned assets;

3.6 Party C does not have any outstanding debts, except for (i) debt incurred in the ordinary course of business; and (ii) debts disclosed to Party A for which Party A's written consent has been obtained.

3.7 Party C has complied with all applicable laws and regulations; and

3.8 There are no pending or threatened litigation, arbitration or administrative proceedings relating to the equity interests in Party C, assets of Party C or Party C.

4. Effective Date and Term

This Agreement shall become effective upon execution by the Parties, and remain effective until all equity interests held by Party B in Party C have been transferred or assigned to Party A and/or any other person designated by Party A in accordance with this Agreement.

5. Governing Law and Resolution of Disputes

5.1 Governing law

The execution, effectiveness, construction, performance, amendment and termination of this Agreement and the resolution of disputes hereunder shall be governed by the laws of PRC.

5.2 Methods of Resolution of Disputes

In the event of any dispute with respect to the construction and performance of this Agreement, the Parties shall first resolve the dispute through friendly negotiations. In the event the Parties fail to reach an agreement on the dispute within 30 days after either Party's request to the other Parties for resolution of the dispute through negotiations, either Party may submit the relevant dispute to the China International Economic and Trade Arbitration Commission for arbitration, in accordance with its arbitration rules. The arbitration shall be conducted in Beijing. The arbitration award shall be final and binding on all Parties.

6. Taxes and Fees

Each Party shall pay any and all transfer and registration tax, expenses and fees incurred thereby or levied thereon in accordance with the laws of China in connection with the preparation and execution of this Agreement and the Transfer Contracts, as well as the consummation of the transactions contemplated under this Agreement and the Transfer Contracts.

7. Notices

7.1 All notices and other communications required or permitted to be given pursuant to this Agreement shall be delivered personally or sent by registered mail, postage prepaid, by a commercial courier service or by facsimile transmission to the address of such Party set forth below. A confirmation copy of each notice shall also be sent by email. The dates on which notices shall be deemed to have been effectively given shall be determined as follows:

7.1.1 Notices given by personal delivery, by courier service or by registered mail, postage prepaid, shall be deemed effectively given on the date of receipt or refusal at the address specified for notices;

7.1.2 Notices given by facsimile transmission shall be deemed effectively given on the date of successful transmission (as evidenced by an automatically generated confirmation of transmission).

7.2 For the purpose of notices, the addresses of the Parties are as follows:

Party A: **Yiren Heng Ye Technology Development (Beijing) Co., Ltd.**
Address: 10/F, Building B, Jindi Center, 91 Jianguo Road, Chaoyang District, Beijing
Attn: Dennis Cong
Phone:
Email:

Party B: **Mei Zhao**
Address:
Phone:
Email:

Party C: **CreditEase Huimin Investment Management (Beijing) Co., Ltd.**
Address: Floor 3, Building A, Wentelai Center, 1 West Dawang Road, Chaoyang District, Beijing
Attn: Ning Tang
Phone:
Email:

7.3 Any Party may at any time change its address for notices by a notice delivered to the other Parties in accordance with the terms hereof.

8. Confidentiality

The Parties acknowledge that the existence and the terms of this Agreement, and any oral or written information exchanged between the Parties in connection with the preparation and performance this Agreement are regarded as confidential information. Each Party shall maintain confidentiality of all such confidential information, and without obtaining the written consent of other Parties, it shall not disclose any relevant confidential information to any third parties, except for the information that: (a) is or will be in the public domain (other than through the receiving Party's unauthorized disclosure); (b) is under the obligation to be disclosed pursuant to the applicable laws or regulations, rules of any stock exchange, or orders of the court or other government authorities; or (c) is required to be disclosed by any Party to its shareholders, directors, employees, legal counsels or financial advisors regarding the transaction contemplated hereunder, provided that such shareholders, directors, employees, legal counsels or financial advisors shall be bound by the confidentiality obligations similar to those set forth in this Section. Disclosure of any confidential information by the shareholders, director, employees of or agencies engaged by any Party shall be deemed disclosure of such confidential information by such Party and such Party shall be held liable for breach of this Agreement.

9. Further Warranties

The Parties agree to promptly execute documents that are reasonably required for or are conducive to the implementation of the provisions and purposes of this Agreement and take further actions that are reasonably required for or are conducive to the implementation of the provisions and purposes of this Agreement.

10. Breach of Agreement

10.1 If Party B or Party C conducts any material breach of any term of this Agreement, Party A shall have right to terminate this Agreement and/or require the Party B or Party C to compensate all damages; this Section 10 shall not prejudice any other rights of Party A herein;

10.2 Party B or Party C shall not have any right to terminate this Agreement in any event unless otherwise required by applicable laws.

11. Miscellaneous

11.1 Amendment, change and supplement

Any amendment, change and supplement to this Agreement shall require the execution of a written agreement by all of the Parties.

11.2 Entire agreement

Except for the amendments, supplements or changes in writing executed after the execution of this Agreement, this Agreement shall constitute the entire agreement reached by and among the Parties hereto with respect to the subject matter hereof, and shall supercede all prior oral and written consultations, representations and contracts reached with respect to the subject matter of this Agreement.

11.3 Headings

The headings of this Agreement are for convenience only, and shall not be used to interpret, explain or otherwise affect the meanings of the provisions of this Agreement.

11.4 Language

This Agreement is written in both Chinese and English language in three copies, each Party having one copy. In case of any discrepancy between the Chinese version and the English version, the Chinese version shall prevail.

11.5 Severability

In the event that one or several of the provisions of this Agreement are found to be invalid, illegal or unenforceable in any aspect in accordance with any laws or regulations, the validity, legality or enforceability of the remaining provisions of this Agreement shall not be affected or compromised in any respect. The Parties shall strive in good faith to replace such invalid, illegal or unenforceable provisions with effective provisions that accomplish to the greatest extent permitted by law and the intentions of the Parties, and the economic effect of such effective provisions shall be as close as possible to the economic effect of those invalid, illegal or unenforceable provisions.

11.6 Successors

This Agreement shall be binding on and shall inure to the interest of the respective successors of the Parties and the permitted assigns of such Parties.

11.7 Survival

11.7.1 Any obligations that occur or that are due as a result of this Agreement upon the expiration or early termination of this Agreement shall survive the expiration or early termination thereof.

11.7.2 The provisions of Sections 5, 8, 10 and this Section 11.7 shall survive the termination of this Agreement.

11.8 Waivers

Any Party may waive the terms and conditions of this Agreement, provided that such a waiver must be provided in writing and shall require the signatures of the Parties. No waiver by any Party in certain circumstances with respect to a breach by other Parties shall operate as a waiver by such a Party with respect to any similar breach in other circumstances.

IN WITNESS WHEREOF, the Parties have caused their authorized representatives to execute this Exclusive Option Agreement as of the date first above written.

Party A:Yiren Heng Ye Technology Development (Beijing) Co., Ltd. (Seal)

By: /s/ Ning Tang (Company seal affixed)
Name: Ning Tang
Title: Legal Representative

Party B: Mei Zhao

By: /s/ Mei Zhao

Party C: CreditEase Huimin Investment Management (Beijing) Co., Ltd. (Seal)

By: /s/ Ning Tang (Company seal affixed)
Name: Ning Tang
Title: Legal Representative

Exhibit 4.33

Spousal Consent

The undersigned, Mei Zhao (ID card No.), is the lawful spouse of Ning Tang (ID card No.). I hereby unconditionally and irrevocably agree to the execution of the following documents (hereinafter referred to as the "**Transaction Documents**") by Ning Tang on March 25, 2019, and the disposal of the equity interests of CreditEase Huimin Investment Management (Beijing) Co., Ltd. (hereinafter referred to as "**Hui Min**") held by Ning Tang and registered in his name according to the following documents:

(1) Equity Interest Pledge Agreement entered into between Yiren Heng Ye Technology Development (Beijing) Co., Ltd. (hereinafter referred to as the "**WFOE**") and Hui Min;

(2) Exclusive Option Agreement entered into between the WFOE and Hui Min;

(3) Power of Attorney executed by Ning Tang;

(4) Loan Agreement entered into with WFOE.

I hereby undertake not to make any assertions in connection with the equity interests of Hui Min which are held by Ning Tang. I hereby further confirm that Ning Tang can perform the Transaction Documents and further amend or terminate the Transaction Documents absent authorization or consent from me.

I hereby undertake to execute all necessary documents and take all necessary actions to ensure appropriate performance of the Transaction Documents (as amended form time to time).

I hereby agree and undertake that if I obtain any equity interests of Hui Min which are held by Ning Tang for any reasons, I shall be bound by the Transaction Documents and the Exclusive Business Cooperation Agreement entered into between the WFOE and Hui Min as of March 25, 2019 (hereinafter referred to as the "**Exclusive Business Cooperation Agreement**") (as amended from time to time) and comply with the obligations thereunder as a shareholder of Hui Min. For this purpose, upon the WFOE's request, I shall sign a series of written documents in substantially the same format and content as the Transaction Documents and Exclusive Business Cooperation Agreement (as amended from time to time).

This Consent is written in Chinese and English. In case of any discrepancy between the Chinese version and the English version, the Chinese version shall prevail.

/s/ Mei Zhao
Mei Zhao

Date: March 25, 2019

Spousal Consent

The undersigned, Ning Tang (ID card No.), is the lawful spouse of Mei Zhao (ID card No.). I hereby unconditionally and irrevocably agree to the execution of the following documents (hereinafter referred to as the "**Transaction Documents**") by Mei Zhao on March 25, 2019, and the disposal of the equity interests of CreditEase Huimin Investment Management (Beijing) Co., Ltd. (hereinafter referred to as "**Hui Min**") held by Mei Zhao and registered in his name according to the following documents:

(5) Equity Interest Pledge Agreement entered into between Yiren Heng Ye Technology Development (Beijing) Co., Ltd. (hereinafter referred to as the "**WFOE**") and Hui Min;

(6) Exclusive Option Agreement entered into between the WFOE and Hui Min;

(7) Power of Attorney executed by Mei Zhao;

(8) Loan Agreement entered into with WFOE.

I hereby undertake not to make any assertions in connection with the equity interests of Hui Min which are held by Mei Zhao. I hereby further confirm that Mei Zhao can perform the Transaction Documents and further amend or terminate the Transaction Documents absent authorization or consent from me.

I hereby undertake to execute all necessary documents and take all necessary actions to ensure appropriate performance of the Transaction Documents (as amended form time to time).

I hereby agree and undertake that if I obtain any equity interests of Hui Min which are held by Mei Zhao for any reasons, I shall be bound by the Transaction Documents and the Exclusive Business Cooperation Agreement entered into between the WFOE and Hui Min as of March 25, 2019 (hereinafter referred to as the "**Exclusive Business Cooperation Agreement**") (as amended from time to time) and comply with the obligations thereunder as a shareholder of Hui Min. For this purpose, upon the WFOE's request, I shall sign a series of written documents in substantially the same format and content as the Transaction Documents and Exclusive Business Cooperation Agreement (as amended from time to time).

This Consent is written in Chinese and English. In case of any discrepancy between the Chinese version and the English version, the Chinese version shall prevail.

/s/ Ning Tang

Ning Tang

Date: March 25,2019

Exhibit 4.34

Execution Version

SHARE SUBSCRIPTION AGREEMENT

Dated March 25, 2019

by and between

YIRENDAI LTD.

and

CREDITEASE HOLDINGS (CAYMAN) LIMITED

TABLE OF CONTENTS

SHARE SUBSCRIPTION AGREEMENT

THIS SHARE SUBSCRIPTION AGREEMENT (this "Agreement") is entered into on March 25, 2019 by and between Yirendai Ltd., an exempted company incorporated under the laws of the Cayman Islands ("Yirendai"), and CreditEase Holdings (Cayman) Limited, an exempted company incorporated under the laws of the Cayman Islands ("CreditEase" and, together with Yirendai, the "Parties").

RECITALS

WHEREAS, Yirendai is a leading fintech company in China connecting investors and individual borrowers and the American Depositary Shares ("ADSs") representing its Ordinary Shares (as defined below) are listed and traded on the New York Stock Exchange;

WHEREAS, CreditEase, being the parent company and controlling shareholder of Yirendai, desires to transfer or cause its controlled entities to contribute to the Yirendai Group (as defined below) the Target Business (as defined below) by way of equity transfer, asset and business transfer, and entry into the Control Documents (as defined below), as applicable;

WHEREAS, Yirendai desires to issue certain number of the Ordinary Shares of Yirendai to CreditEase, on the terms and subject to the conditions set forth in this Agreement; and

WHEREAS, the Parties desire to enter into this Agreement and make the respective representations, warranties, covenants and agreements set forth herein on the terms and subject to the conditions set forth herein.

AGREEMENT

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 hereby agree as follows:

1. **DEFINITIONS**

In this Agreement, unless the context otherwise requires, the following words and expressions have the meanings as follows:

"ADSs" has the meaning set forth in the recitals.

"Affiliate" means, (i) with respect to a Person that is a natural person, such Person's relatives and any other Person (other than natural persons) directly or indirectly Controlled by such Person, and (ii) with respect to a Person that is not a natural person, a Person that directly, or indirectly through one or more intermediaries, Controls, or is Controlled by, or is under common Control with, such Person. For the purposes of this definition, a "relative" of a Person means such Person's spouse, parent, grandparent, child, grandchild, sibling, uncle, aunt, nephew, niece or great-grandparent or the spouse of such Person's child, grandchild, sibling, uncle, aunt, nephew or niece. For purposes of this Agreement, none of the Yirendai Group Companies shall be deemed to be an Affiliate of any CreditEase Group Company, and none of the CreditEase Group Companies shall be deemed to be an Affiliate of any Yirendai Group Company.

"Agreement" has the meaning set forth in the preamble.

"Amended Cooperation Framework Agreement" means the Amended and Restated Cooperation Framework Agreement, dated the date hereof, by and between Yirendai and CreditEase. The Amended Cooperation Framework Agreement amends and restates the Cooperation Framework Agreement, dated November 9, 2015, by and between Yirendai and CreditEase. The execution version of the Amended Cooperation Framework Agreement is attached hereto as Exhibit B.

"Amended Intellectual Property License Agreement" means the Amended and Restated Intellectual Property License Agreement, dated the date hereof, by and between Yirendai and CreditEase. The Amended Intellectual Property License Agreement amends and restates the Intellectual Property License Agreement, dated November 9, 2015, by and between Yirendai and CreditEase. The execution version of the Amended Intellectual Property License Agreement is attached hereto as Exhibit C.

"Amended Non-Competition Agreement" means the Amended and Restated Non-Competition Agreement, dated the date hereof, by and between Yirendai and CreditEase. The Amended Non-Competition Agreement amends and restates the Non-Competition Agreement, dated November 9, 2015, by and between Yirendai and CreditEase. The execution version of the Amended Non-Competition Agreement is attached hereto as Exhibit A.

"Amended Transitional Services Agreement" means the Transitional Services Agreement, dated the date hereof, by and between Yirendai and CreditEase. The Amended Transitional Services Agreement amends and restates the Transitional Services Agreement, dated November 9, 2015, by and between Yirendai and CreditEase. The execution version of the Transitional Services Agreement is attached hereto as Exhibit D.

"AMR" means the State Administration for Market Regulation of the PRC and its local divisions and branches, and their respective successor entities.

"Arbitration Notice" has the meaning set forth in Section 9.12.

"Asset Transfer Documents" means, collectively, a series of agreements pursuant to which certain assets, rights and obligations relating to the Target Business are transferred or to be transferred by certain CreditEase Group Companies to certain Yirendai Group Companies. The complete list of the Asset Transfer Documents is set forth in the column entitled "Document" in the table in Schedule I attached hereto, with the applicable CreditEase Group Companies and Yirendai Group Companies set forth in the columns entitled "CreditEase Group Companies" and "Yirendai Group Companies" in that table next to the name of each Asset Transfer Document. The specific assets, rights and obligations subject to each Asset Transfer Document are set forth in the column entitled "Certain Key Terms" next to the name of that Asset Transfer Document.

"Audited Contributed Business Financial Statements" means the audited combined financial statements (including balance sheet (the "Audited Balance Sheet"), income statement (the "Audited Income Statement") and statement of cash flows) for the Contributed Assets, prepared in accordance with U.S. GAAP, as of December 31, 2018 and for the three years ended December 31, 2018, as applicable.

"Authorization" has the meaning set forth in Section 5.4.

"Base Subscription Shares" means 106,917,947 Ordinary Shares.

"Board" means the board of directors of Yirendai.

"Business Day" means a day (other than a Saturday or a Sunday) that the banks in New York, Hong Kong, the PRC, or the Cayman Islands are generally open for business.

"Claim Notice" has the meaning set forth in Section 8.5(a).

"Closing" has the meaning set forth in Section 3.1.

"Closing Date" has the meaning set forth in Section 3.1.

"Confidential Information" has the meaning set forth in Section 6.10(a).

"Contracts" means legally binding contracts, agreements, engagements, purchase orders, commitments, understandings, indentures, notes, bonds, loans, instruments, leases, mortgages, franchises, licenses or any other contractual arrangements or obligations which are currently subsisting and not terminated or completed (with each of such Contracts being referred to as a "Contract").

"Contributed Assets" or "Contributed Business" means all businesses, assets, liabilities, Intellectual Property, customer data, employees and Contracts transferred or contributed, or to be transferred or contributed, by the relevant CreditEase Group Companies to the Yirendai Group in accordance with the Specified Transaction Documents, including the Transferred Contracts, the Transferred Employees, the Transferred Tangible Assets, the Transferred IP, the Transferred Leases, and any other assets that are used for, and are necessary to carry out, the operation of the Target Business as currently operated or proposed.

"Control" means the possession, direct or indirect, of the power to direct, or cause the direction of, the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise.

"Control Documents" means (i) a series of agreements and instruments pursuant to which each VIE Entity and all of its respective Controlled Affiliates have become a part of and been consolidated into the Yirendai Group via a variable interest entity structure in accordance with U.S. GAAP, (ii) a Termination Agreement, dated March 25, 2019, terminating the arrangements pursuant to which the VIE Entity 1 and all of its Controlled Affiliates were controlled by and consolidated into the CreditEase Group prior to the date of such termination, and (iii) a Termination Agreement, dated March 25, 2019, terminating the arrangements pursuant to which VIE Entity 2 and all of its Controlled Affiliates were controlled by and consolidated into the CreditEase Group prior to the date of such termination. The complete list of the Control Documents is set forth in Schedule III attached hereto.

"CreditEase" has the meaning set forth in the preamble.

"CreditEase Group Companies" means, collectively, CreditEase and the Affiliates of CreditEase, other than (a) the Yirendai Group Companies and (b) Affiliates of CreditEase that are not parties to or otherwise bound by any Transaction Document and are irrelevant to the Target Business or the Contributed Assets.

"CreditEase Indemnitee" has the meaning set forth in Section 8.2(a).

"CreditEase Material Adverse Effect" means any event, fact, circumstance or occurrence that, individually or in the aggregate, results in or would result in a material adverse change in or a material adverse effect on (a) the financial condition, assets, liabilities, results of operations or business of the Target Business or (b) the ability of any CreditEase Group Company to consummate the transactions contemplated by this Agreement and any other Transaction Document; provided that in determining whether a CreditEase Material Adverse Effect has occurred, there shall be excluded any effect on the Target Business to the extent relating to or arising in connection with (i) any action required to be taken pursuant to the terms and conditions of this Agreement or any other Transaction Documents, (ii) changes or effects affecting the industry in which the Target Business operates or the economy or financial, credit or securities markets or political conditions generally (to the extent that in each case such changes do not have a unique or disproportionate impact on the Target Business); (iii) the announcement or consummation of the transactions contemplated by this Agreement and the other Transaction Documents; (iv) any change in GAAP or in Law or accounting standards or interpretations thereof applicable to the Business; (v) any change resulting from any action by CreditEase or any of its Affiliates taken at the written request of Yirendai; or (vi) acts of God.

"Disclosure Schedule" means the disclosure schedule, dated the date hereof, in respect of this Agreement, which has been agreed upon by the Parties.

"Dispute" has the meaning set forth in Section 9.12.

"Disregarded Liabilities Amount" means the liabilities currently indicated on the Unaudited Balance Sheet in the line item entitled "Amounts due to related parties and Payable to third-party credit assurance program", as such amount may be adjusted in the audit process and reflected in the same line item in the Audited Balance Sheet.

"Equity Transfer Documents" means, collectively, a series of agreements pursuant to which all (or a majority, as applicable) of the outstanding equity interests issued by certain CreditEase Group Companies are transferred or to be transferred by certain CreditEase Group Companies to certain Yirendai Group Companies. The complete list of the Equity Transfer Documents is set forth in Schedule II attached hereto.

"Exchange Act" means the Securities Exchange Act of 1934, as amended, or any successor statute, and the rules and regulations promulgated thereunder.

"Fundamental Representations of CreditEase" shall mean the representations and warranties made by CreditEase to Yirendai contained in Section 5.1, Section 5.2, Section 5.3, Section 5.4 and Section 5.17.

"Fundamental Representations of Yirendai" shall mean the representations and warranties made by Yirendai to CreditEase contained in Section 4.1, Section 4.2, Section 4.3 and Section 4.4.

"Government Official" has the meaning set forth in Section 5.20(a).

"Governmental Authorities" means any nation, government, province, state, or any entity, authority or body exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government, including any government authority, agency, department, board, commission or instrumentality of any government or any political subdivision thereof, court, tribunal, arbitrator, the governing body of any securities exchange, and self-regulatory organization, in each case having competent jurisdiction.

"HKIAC" has the meaning set forth in Section 9.12.

"HKIAC Rules" has the meaning set forth in Section 9.12.

"Hong Kong" means the Hong Kong Special Administrative Region of the People's Republic of China.

"Indemnified Party" has the meaning set forth in Section 8.5.

"Indemnifying Party" has the meaning set forth in Section 8.5.

"Indemnity Notice" has the meaning set forth in Section 8.6.

"Intellectual Property" means any and all (a) patents (including all reissues, divisionals, provisionals, continuations, continuations in part, re-examinations, renewals and extensions thereof), patent applications, and other patent rights, (b) trademarks, service marks, tradenames, brand names, logos, slogans, trade dress, design rights, and other similar designations of source or origin, together with all goodwill associated with any of the foregoing and applications, registrations and renewals in connection therewith, (c) copyrights, mask works, and copyrightable works, and all applications, registrations for and renewals in connection therewith, (d) internet domain names, web addresses, web pages, websites and related content, accounts with Twitter, Facebook, Instagram, and other social media companies and the content found thereon and related thereto, and uniform resource locators, (e) proprietary computer software, including source code, object code and supporting documentation for such computer software, (f) trade secrets and proprietary information, including confidential business information, technical data, customer lists, data collections, methods and inventions (whether or not patentable and where or not reduced to practice), (g) copies and tangible embodiments of any of the foregoing and (h) all other intellectual property, whether or not registrable, in each case, under any Law or statutory provision or common law doctrine in any country.

"Law" means any law, rule, constitution, code, ordinance, statute, treaty, decree, regulation, common law, order, official policy, circular, provision, administrative order, interpretation, injunction, judgment, ruling, assessment, writ or other legislative measure, in each case of any Governmental Authority.

"Liability" means all indebtedness, obligations and other liabilities of a Person, whether direct or indirect, absolute, accrued, contingent or otherwise, known or unknown, fixed or otherwise, due or to become due, whether or not accrued or paid.

"Lien" means (a) any mortgage, charge, lien, pledge or other encumbrance securing any obligation of any Person, (b) any option, right to acquire, right of pre-emption, right of set off or other arrangement under which money or claims to, or for the benefit of, any Person may be applied or set off so as to effect discharge of any sum owed or payable to any Person, or (c) any equity, assignment, hypothecation, title retention, claim, restriction, power of sale or other type of preferential arrangement the effect of which is to give a creditor in respect of indebtedness a preferential position in relation to any asset of a Person on any insolvency proceeding of that Person.

"Losses" has the meaning set forth in Section 8.2(a).

"Net Asset Value" shall mean, as of a particular time, an amount equal to (a) the total amount of assets as of such time, minus (b) the total amount of liabilities as of such time.

"Net Revenue" for a time period means an amount indicated as "Net Revenue" in the relevant income statement for that time period.

"Net Revenue Adjustment Percentage" has the meaning set forth in the Section 3.6(b).

"Net Revenue Audit Adjustment Percentage" has the meaning set forth in the Section 3.6(a).

"Net Revenue Audit Differential" has the meaning set forth in the Section 3.6(a).

"Net Revenue Differential" has the meaning set forth in the Section 3.6(b).

"Order" means any injunction, judgment, order, decree, stipulation or determination by or with any Governmental Authority.

"Ordinary Shares" means the Ordinary Shares, par value US$0.0001 per share, of Yirendai.

"Parties" has the meaning set forth in the preamble.

"Person" means any individual, corporation, partnership, limited partnership, proprietorship, association, limited liability company, firm, trust, estate or other enterprise, entity or legal person.

"PRC" means the People's Republic of China and, for purposes of this Agreement, excludes Hong Kong, the Macao Special Administrative Region and Taiwan.

"SEC" means the Securities and Exchange Commission of the United States or any other federal agency at the time administering the Securities Act.

"SEC Documents" has the meaning set forth in Section 4.5(a).

"Securities Act" means the U.S. Securities Act of 1933, as amended.

"Selection Period" has the meaning set forth in Section 9.12.

"Specified Divestment Entities" means, collectively, the entities set forth in Schedule IV attached hereto, other than the Specified Pre-Closing Divestment Entities.

"Specified Pre-Closing Divestment Entities" means, collectively, the entities numbered 2, 13, 14, 15 and 16 in Schedule IV attached hereto.

"Specified Transaction Documents" means, collectively, the Equity Transfer Documents, the Asset Transfer Documents, the Control Documents, and all other documents entered into or delivered in connection with the foregoing.

"Subscription Shares" has the meaning set forth in Section 2.1.

"Target Business" means online wealth management targeting the mass affluent, which refer to individuals with RMB600,000 to RMB6,000,000 investable financial assets, unsecured and secured consumer lending, financial leasing, SME lending and other related services and businesses, being (i) the business conducted by each CreditEase Group Company the equity interests of which are transferred or to be transferred to the Yirendai Group pursuant to the Equity Transfer Documents, (ii) the business conducted with the tangible and intangible assets transferred or to be transferred to the Yirendai Group pursuant to the Asset Transfer Documents, and (iii) the business conducted by each VIE Entity and all of its respective Controlled Affiliates, which have become a part of and been consolidated into the Yirendai Group by way of the Control Documents.

"Tax Return" means any return, report or statement showing Taxes, used to pay Taxes, or required to be filed with respect to any Tax (including any elections, declarations, schedules or attachments thereto, and any amendment thereof), including any information return, claim for refund, amended return or declaration of estimated or provisional Tax.

"Taxes" means (i) in the PRC: (a) any national, provincial, municipal, or local taxes, charges, fees, levies, or other assessments, including, without limitation, all net income (including enterprise income tax and individual income withholding tax), turnover (including value-added tax, business tax, and consumption tax), resource (including urban and township land use tax), special purpose (including land value-added tax, urban maintenance and construction tax, and additional education fees), property (including urban real estate tax and land use fees), documentation (including stamp duty and deed tax), filing, recording, social insurance (including pension, medical, unemployment, housing, and other social insurance withholding), tariffs (including import duty and import value-added tax), and estimated and provisional taxes, charges, fees, levies, or other assessments of any kind whatsoever, (b) all interest, penalties (administrative, civil or criminal), or additional amounts imposed by any Governmental Authority in connection with any item described in clause (a) above, and (c) any form of transferee liability imposed by any Governmental Authority in connection with any item described in clauses (a) and (b) above; and (ii) in any jurisdiction other than the PRC: all similar liabilities as described in clause (i) above.

"Third Party Claim" has the meaning set forth in Section 8.5(a).

"Transaction Documents" means this Agreement, the Amended Non-Competition Agreement, the Amended Cooperation Framework Agreement, the Amended Intellectual Property License Agreement, the Amended Transitional Services Agreement, the Specified Transaction Documents and all other documents and agreements entered into or delivered in connection with the transactions contemplated hereby and thereby.

"Transferred Contracts" means any and all Contracts relating to, arising from or in connection with the Target Business transferred or to be transferred to the Yirendai Group pursuant to the Specified Transaction Documents.

"Transferred Employees" means any and all employees and other personnel the employment or labor relationship of whom is transferred or to be transferred to the Yirendai Group pursuant to the Specified Transaction Documents.

"Transferred IP" means any and all Intellectual Property transferred or licensed or to be transferred or licensed to the Yirendai Group pursuant to the Specified Transaction Documents.

"Transferred Leases" means any and all leasehold interests transferred or assigned or to be transferred or assigned to the Yirendai Group pursuant to the Specified Transaction Documents.

"Transferred Tangible Assets" means any and all tangible assets transferred or to be transferred to the Yirendai Group pursuant to the Specified Transaction Documents.

"Unaudited Contributed Business Financial Statements" means the unaudited combined financial statements (including balance sheet (the "Unaudited Balance Sheet"), income statement (the "Unaudited Income Statement") and statement of cash flows) for the Contributed Assets, prepared in accordance with U.S. GAAP, as of December 31, 2018 and for the three years ended December 31, 2018, as applicable.

"U.S. GAAP" means the generally accepted accounting principles and practices in the United States as in effect from time to time.

"US$" means United States Dollars, the lawful currency of the United States.

"VIE Entities" means VIE Entity 1 and VIE Entity 2.

"VIE Entity 1" has the meaning set forth in Schedule III.

"VIE Entity 2" has the meaning set forth in Schedule III.

"WFOE" means Yirendai Hengye Technology Development (Beijing) Co., Ltd. (宜人恒业科技发展（北京）有限公司).

"Yirendai" has the meaning set forth in the preamble.

"Yirendai Group" or "Yirendai Group Companies" means, collectively, Yirendai and its Controlled Affiliates, and each a "Yirendai Group Company."

"Yirendai Indemnitee" has the meaning set forth in Section 8.2(b).

"Yirendai Material Adverse Effect" means any event, fact, circumstance or occurrence that, individually or in the aggregate, results in or would result in a material adverse change in or a material adverse effect on (a) the financial condition, assets, liabilities, results of operations or business of Yirendai or (b) the ability of any Yirendai Group Company to consummate the transactions contemplated by this Agreement and any other Transaction Document; provided that in determining whether a Yirendai Material Adverse Effect has occurred, there shall be excluded any effect on any Yirendai Group Company to the extent relating to or arising in connection with (i) any action required to be taken pursuant to the terms and conditions of this Agreement or any other Transaction Documents, (ii) changes or effects affecting the industry in which Yirendai operates or the economy or financial, credit or securities markets or political conditions generally (to the extent that in each case such changes do not have a unique or disproportionate impact on Yirendai); (iii) the announcement or consummation of the transactions contemplated by this Agreement and the other Transaction Documents; (iv) any change in GAAP or in Law or accounting standards or interpretations thereof applicable to Yirendai; (v) any change resulting from any action by Yirendai or any of its Affiliates taken at the written request of CreditEase; or (vi) acts of God.

2. THE TRANSACTION

2.1 Issuance of Shares; Execution of Transaction Documents. Concurrently with the execution of this Agreement, CreditEase and Yirendai shall, or shall cause their respective Affiliates to, duly execute and deliver each of the Specified Transaction Documents (other than the Specified Transaction Documents, if any, that were entered into prior to the date hereof and are in full force and effect as of the date hereof), the Amended Non-Competition Agreement, the Amended Cooperation Framework Agreement, the Amended Intellectual Property License Agreement and the Amended Transitional Services Agreement. At the Closing, Yirendai shall issue to CreditEase, and CreditEase shall accept from Yirendai, the Base Subscription Shares (as may be adjusted in accordance with Section 3.6, the "Subscription Shares"), free and clear of any Lien and with all rights attaching on and from the Closing, on the terms and subject to the conditions of this Agreement.

2.2 Delivery of Financial Statements. Concurrently with or prior to the execution of this Agreement, CreditEase shall deliver to Yirendai the Unaudited Contributed Business Financial Statements.

3. **CLOSING; CLOSING DELIVERIES**

3.1 Closing. The closing of the transactions contemplated under Section 2.1 (the "Closing") shall take place remotely on the fifth (5th) Business Day following the satisfaction or waiver of the conditions set forth in Section 3.4 and Section 3.5 (other than those conditions that by their terms are to be satisfied at the Closing, but subject to the satisfaction or waiver of such conditions), or at such other time as the Parties may agree in writing (the date on which the Closing occurs, the "Closing Date"). All transactions occurring at the Closing shall be deemed to occur simultaneously, and shall be effective as of the Closing and upon occurrence of all transactions contemplated by Article 2 and this Article 3. For the avoidance of doubt, the consummation of the transactions described in Article 2 and this Article 3 shall occur together, and the Closing shall be deemed not to have occurred if any party fails to deliver any agreement or other instrument or document required under Article 2 and this Article 3.

3.2 Deliveries by Yirendai at the Closing. At the Closing, Yirendai shall deliver to CreditEase:

(a) a copy of the updated register of members of Yirendai showing CreditEase as the holder of the Subscription Shares;

(b) a copy of the share certificate issued in the name of CreditEase, dated on the Closing Date, evidencing the ownership by CreditEase of the Subscription Shares (the original copy of which shall be delivered to CreditEase as soon as practicable after the Closing);

(c) a copy of the resolutions duly adopted by the Board, evidencing the authorization by the Board of the execution and delivery of this Agreement and the consummation of the transactions contemplated hereby;

(d) a copy of each of the Specified Transaction Documents, dated on or prior to the date hereof, duly executed by the applicable Yirendai Group Company; and

(e) copies of the Amended Non-Competition Agreement, the Amended Cooperation Framework Agreement, the Amended Intellectual Property License Agreement and the Amended Transitional Services Agreement, each dated the date hereof and duly executed by Yirendai.

3.3 Deliveries by CreditEase at the Closing. At the Closing, CreditEase shall deliver to Yirendai:

(a) a copy of each of the Specified Transaction Documents, dated on or prior to the date hereof, duly executed by the applicable CreditEase Group Company;

(b) copies of the Amended Non-Competition Agreement, the Amended Cooperation Framework Agreement, the Amended Intellectual Property License Agreement and the Amended Transitional Services Agreement, each dated the date hereof and duly executed by CreditEase;

(c) a copy of the resolutions duly adopted by the board of directors of CreditEase and a copy of the resolutions duly adopted by the shareholders of CreditEase, evidencing due authorization by CreditEase of the execution and delivery of this Agreement and the other Transaction Documents and the consummation of the transactions contemplated hereby and thereby;

(d) a copy of the resolutions duly adopted by the board of directors (and, if applicable, the shareholders) of each applicable CreditEase Group Company other than CreditEase, evidencing due authorization by that CreditEase Group Company of the execution and delivery of each Transaction Document to which it is a party, and the consummation of the transactions contemplated thereby, as applicable;

(e) the Audited Contributed Business Financial Statements;

(f) an opinion from King & Wood Mallesons, PRC counsel to CreditEase, dated the Closing Date, to the reasonable satisfaction of Yirendai.

3.4 Conditions to the Obligation of Yirendai to Effect the Closing. The obligation of Yirendai to consummate the transactions contemplated by Section 2.1 is subject to the satisfaction, as of the Closing Date, of the following conditions, any of which may be waived in writing by Yirendai in its sole discretion:

(a) The representations and warranties of CreditEase contained in Article 5 shall have been true and accurate in all respects (in the case of any such representation or warranty containing any materiality or CreditEase Material Adverse Effect qualifier) or in all material respects (in the case of any such representation or warranty without any materiality or CreditEase Material Adverse Effect qualifier), as of the Closing Date (except for such representations and warranties that are made as of a specific date, which shall speak only as of such date);

(b) The CreditEase Group Companies shall have performed and complied in all material respects with all, and not be in breach or default in any material respects under any, agreements, covenants, conditions and obligations contained in the Transaction Documents that are required to be performed or complied with on or before the Closing Date;

(c) No court or other Governmental Authority of competent jurisdiction shall have enacted, issued, promulgated, enforced or entered any Law (whether temporary, preliminary or permanent) that is in effect and restrains, enjoins or otherwise prohibits consummation of the transactions contemplated hereby;

(d) No CreditEase Material Adverse Effect shall have occurred or is continuing;

(e) The Specified Transaction Documents shall have remained in full force and effect;

(f) The transactions contemplated in the Equity Transfer Documents shall have been duly consummated, and approval from or registration with any applicable Governmental Authorities (including the AMR) shall have been completed;

(g) (i) Each of the Asset Transfer Documents shall have been duly performed in accordance therewith, and approval from or registration in any applicable Governmental Authorities with respect thereto shall have been completed, and (ii) CreditEase shall have notified Yirendai in writing that item (i) above has occurred and it is ready to proceed to the Closing;

(h) The transactions contemplated in the Control Documents shall have been duly consummated, and approval from or registration with any applicable Governmental Authorities (including the AMR) shall have been completed, including equity pledge registration;

(i) CreditEase shall have caused VIE Entity 2 to fully divest its ownership interests in each of the Specified Pre-Closing Divestment Entities so that as of the Closing Date, (i) VIE Entity 2 does not have the right to Control, or directly or indirectly own or have the right to acquire, any equity, partnership or other ownership interest in, any Specified Pre-Closing Divestment Entity, and (ii) the financial results of any Specified Pre-Closing Divestment Entity are not fully or partially consolidated into the financial results of VIE Entity 2 in accordance with U.S. GAAP or any applicable accounting standards;

(j) The sum of the Net Revenue Audit Adjustment Percentage and the Net Revenue Adjustment Percentage is lower than twenty percent (20%);

(k) (i) CreditEase shall have caused other CreditEase Group Companies or third parties to assume, all the liabilities constituting the Disregarded Liabilities Amount, so that those liabilities no longer constitute a part of the Contributed Business; (ii) the Contributed Business shall not have owed any indebtedness to any CreditEase Group Company; and (iii) the Net Asset Value of the Contributed Business shall have been equal to or greater than zero;

(l) Each of the Amended Non-Competition Agreement, the Amended Cooperation Framework Agreement, the Amended Intellectual Property License Agreement and the Amended Transitional Services Agreement shall have remained in full force and effect; and

(m) CreditEase shall have delivered to Yirendai a certificate, dated the Closing Date and duly executed by the Chief Executive Officer or the Chief Financial Officer of CreditEase, certifying that each of the closing conditions set forth in this Section 3.6(a) through (l) has been duly satisfied.

3.5 Conditions to the Obligation of CreditEase to Effect the Closing. The obligation of CreditEase to consummate the transactions contemplated by Section 2.1 is subject to the satisfaction, as of the Closing Date, of the following conditions, any of which may be waived in writing by CreditEase in its sole discretion:

(a) The representations and warranties of Yirendai contained in Article 4 shall have been true and accurate in all respects (in the case of any such representation or warranty containing any materiality or Yirendai Material Adverse Effect qualifier) or in all material respects (in the case of any such representation or warranty without any materiality or Yirendai Material Adverse Effect qualifier), as of the Closing Date (except for such representations and warranties that are made as of a specific date, which shall speak only as of such date);

(b) Yirendai shall have performed and complied in all material respects with all, and not be in breach or default in any material respects under any, agreements, covenants, conditions and obligations contained in the Transaction Documents that are required to be performed or complied with on or before the Closing Date;

(c) No court or other Governmental Authority of competent jurisdiction shall have enacted, issued, promulgated, enforced or entered any Law (whether temporary, preliminary or permanent) that is in effect and restrains, enjoins or otherwise prohibits consummation of the transactions contemplated hereby; and

(d) No Yirendai Material Adverse Effect shall have occurred or is continuing.

3.6 Closing Consideration Adjustments. At the Closing, the number of the Base Subscription Shares to be issued shall be adjusted as follows:

(a) if the Net Revenue of the Contributed Business reflected in the Audited Income Statement for the fiscal year 2018 is lower than the Net Revenue of the Contributed Business reflected in the Unaudited Income Statement for the fiscal year 2018 (such difference, the "Net Revenue Audit Differential"), then the number of the Base Subscription Shares to be issued at the Closing shall be reduced by a number equal to the Base Subscription Shares, multiplied by a fraction, the numerator of which is the Net Revenue Audit Differential and the denominator of which is the Net Revenue of the Contributed Business reflected on the Unaudited Income Statement, rounded to the nearest whole number (such fraction, the "Net Revenue Audit Adjustment Percentage");

(b) if the Net Revenue of the Contributed Assets that have been fully transferred or otherwise contributed to the Yirendai Group reflected in the Audited Income Statement for the fiscal year 2018 is lower than the Net Revenue of the Contributed Assets reflected in the Audited Income Statement for the fiscal year 2018 (such difference, the "Net Revenue Differential"), then the number of the Base Subscription Shares to be issued at the Closing shall be reduced by a number equal to the Base Subscription Shares multiplied by a fraction, the numerator of which is the Net Revenue Differential and the denominator of which is the Net Revenue of the Contributed Assets reflected in the Audited Income Statement for the fiscal year 2018, rounded to the nearest whole number (such fraction, the "Net Revenue Adjustment Percentage"); and

(c) notwithstanding anything to the contrary above in this Section 3.6, if the adjustment procedures in Section 3.6(a) and Section 3.6(b) would result in the aggregate number of the Subscription Shares issuable at the Closing being reduced by a number that is equal to or less than 21,383,589 Ordinary Shares (being twenty percent (20%) of the Base Subscription Shares), then Section 3.6(a) and Section 3.6(b) shall be disregarded and no adjustment in accordance with Section 3.6(a) and Section 3.6(b) shall be made to the number of the Subscription Shares issuable at the Closing.

4. **REPRESENTATIONS AND WARRANTIES OF YIRENDAI**

Yirendai hereby represents and warrants to CreditEase, as of the date hereof and the Closing Date, the following.

4.1 Due Formation; Qualification. Yirendai is an exempted company, duly incorporated, validly existing and in good standing under the laws of the Cayman Islands, has the requisite corporate power and authority to own, lease and operate its business and assets and to conduct its business as currently conducted and as described in the SEC Documents, and is duly qualified to transact business in all material respects in each jurisdiction in which the conduct of its business or its ownership, leasing or operation of property requires such qualification. Each Yirendai Group Company that is a party to any Transaction Document is duly organized, validly existing and in good standing under the laws of its jurisdiction of organization.

4.2 Authorization; Enforceability. Each Yirendai Group Company has requisite legal power and authority to execute, deliver and perform its obligations under this Agreement and the other Transaction Documents to which it is a party and to consummate the transactions contemplated hereby and thereby. This Agreement has been (and the execution and delivery of each other Transaction Documents to which any Yirendai Group Company is a party will be upon execution thereof) duly executed and delivered by the applicable Yirendai Group Company and, assuming due authorization, execution and delivery by the other parties thereto, constitutes a legal, valid and binding obligation of the applicable Yirendai Group Company, enforceable against the applicable Yirendai Group Company in accordance with its terms, except as limited by (i) applicable bankruptcy, insolvency, reorganization, moratorium, and other laws of general application affecting enforcement of creditors' rights generally, and (ii) applicable Laws relating to the availability of specific performance, injunctive relief, or other equitable remedies or general principles of equity.

4.3 Due Issuance. The Subscription Shares are duly authorized and, when issued in accordance with this Agreement, will be validly issued, fully paid and non-assessable and free and clear of any Lien, right of first refusal, third-party right or interest, claim or restriction of any kind or nature, except for restrictions arising under the Securities Act or created by virtue of this Agreement. Good and valid title to the Subscription Shares will be passed to CreditEase upon entry of CreditEase into the register of members of Yirendai as the legal owner of the Subscription Shares.

4.4 Non-Contravention. Neither the execution and the delivery of this Agreement and the other Transaction Documents to which any Yirendai Group Company is a party, nor the consummation of the transactions contemplated hereby or thereby by any Yirendai Group Company, will (i) violate any provision of the organizational documents of any Yirendai Group Company or materially violate any Law to which any Yirendai Group Company is subject, or (ii) conflict with, result in a breach of or constitute a default under any material Contract to which any Yirendai Group Company is a party or by which any Yirendai Group Company is bound, except in each case of (i) and (ii) above, would not reasonably be expected to prohibit, materially delay or materially impair the consummation of the transactions contemplated by the Transaction Documents.

4.5 SEC Matters; Financial Statements.

(a) Yirendai 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 and the Exchange 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 material statements therein, in the light of the circumstances under which they were made, not misleading.

(b) The financial statements (including any related notes) contained in the SEC Documents: (i) complied as to form in all material respects with applicable accounting requirements and the published rules and regulations of the SEC with respect thereto, (ii) were prepared in accordance with U.S. GAAP and (iii) fairly present in all material respects the consolidated financial position of the Yirendai Group Companies as of the respective dates thereof and the consolidated results of operations and cash flows of the Yirendai Group for the periods covered thereby, except as disclosed therein and as permitted under the Exchange Act.

4.6 Absence of Changes. Since December 31, 2018, (i) Yirendai has operated in the ordinary course of business in all material respects and (ii) there has not been a Yirendai Material Adverse Effect.

4.7 No Registration. Assuming the accuracy of the representations and warranties of CreditEase set forth in Section 5.22, Section 5.23 and Section 5.24, it is not necessary in connection with the issuance and sale of the Subscription Shares to register the Subscription Shares under the Securities Act. No directed selling efforts (as defined in Rule 902 of Regulation S under the Securities Act) have been made by any Yirendai Group Company or any person acting on its behalf with respect to any Subscription Shares.

4.8 Brokers. None of the Yirendai Group Companies has engaged with or received services from any broker, finder, commission agent, placement agent or arranger in connection with the transactions contemplated by the Transaction Documents.

4.9 Representations and Warranties in Other Transaction Documents. Each of the representations and warranties made by any Yirendai Group Company in each of the Transaction Documents other than this Agreement is true and correct, subject to any disclosures qualifying such representations and warranties set forth in such Transaction Document. Each of the representations and warranties made by any Yirendai Group Company in each such Transaction Document shall be and is hereby incorporated into this Agreement and repeated as a representation and warranty of Yirendai under this Agreement.

4.10 No Other Representations and Warranties. Yirendai makes no other representations and warranties, implied or otherwise, other than those expressly set out in this Agreement.

5. **REPRESENTATIONS AND WARRANTIES OF CREDITEASE**

Except as set forth in the Disclosure Schedule (it being understood that an item disclosed in the Disclosure Schedule with respect to one subsection in this Article 5 shall be deemed to be disclosed with respect to any other subsection in this Article 5 if the relevance of such item to such other subsection is readily apparent), CreditEase hereby represents and warrants to Yirendai, as of the date hereof and the Closing Date, the following.

5.1 Due Formation; Qualification. CreditEase is an exempted company, duly incorporated, validly existing and in good standing under the laws of the Cayman Islands, and has the requisite corporate power and authority to own, lease and operate its business and assets and to conduct its business as currently conducted except where the failure to have such power or authority would not reasonably be expected to be materially adverse to the CreditEase Group Companies, taken as a whole. Each other CreditEase Group Company that is a party to any Transaction Document is duly organized, validly existing and in good standing under the laws of its jurisdiction of organization, and has the requisite power and authority to own, lease and operate its business and assets and to conduct its business as currently conducted, except where the failure to have such power or authority would not reasonably be expected to be materially adverse to the CreditEase Group Companies, taken as a whole. Each CreditEase Group Company that is a party to any Transaction Document is duly qualified to transact business in all material respects in each jurisdiction in which the conduct of its business or its ownership, leasing or operation of property requires such qualification, except where the failure to be so duly qualified would not reasonably be expected to be materially adverse to CreditEase Group Companies, taken as a whole.

5.2 Authorization; Enforceability. Each CreditEase Group Company has requisite legal power and authority to execute, deliver and perform its obligations under this Agreement and the other Transaction Documents to which it is a party and to consummate the transactions contemplated hereby and thereby. This Agreement has been (and the execution and delivery of each other Transaction Documents to which any CreditEase Group Company is a Party will be upon execution thereof) duly executed and delivered by the applicable CreditEase Group Company and, assuming due authorization, execution and delivery by the other parties thereto, constitutes a legal, valid and binding obligation of the applicable CreditEase Group Company, enforceable against the applicable CreditEase Group Company in accordance with its terms, except as limited by (i) applicable bankruptcy, insolvency, reorganization, moratorium, and other laws of general application affecting enforcement of creditors' rights generally, and (ii) applicable Laws relating to the availability of specific performance, injunctive relief, or other equitable remedies or general principles of equity.

5.3 Non-Contravention. Neither the execution and the delivery of this Agreement and the other Transaction Documents to which any CreditEase Group Company is a party, nor the consummation of the transactions contemplated hereby or thereby by any CreditEase Group Company, will (i) violate any provision of the organizational documents of any CreditEase Group Company or materially violate any Law to which any CreditEase Group Company is subject, or (ii) conflict with, result in a breach of or constitute a default under any material Contract to which any CreditEase Group Company is a party or by which any CreditEase Group Company is bound, except in each case of (i) and (ii) above, would not reasonably be expected to prohibit, materially delay or materially impair the consummation of the transactions contemplated by the Transaction Documents.

5.4 Consents and Approvals. Except as set forth in the Disclosure Schedule, neither the execution and the delivery of this Agreement and the other Transaction Documents to which any CreditEase Group Company is a party, nor the consummation of the transactions contemplated hereby or thereby by any CreditEase Group Company, requires any consent, approval, order, license or authorization of, registration, certificate, declaration or filing with or notice to any Governmental Authority or other third party (each, an "Authorization"), except for those Authorizations that have already been obtained.

5.5 No Litigation. Except as set forth in the Disclosure Schedule, there is no action, suit or proceeding pending or, to the best knowledge of the CreditEase Group Companies, threatened against any CreditEase Group Company that questions the validity of this Agreement or any of the other Transaction Documents or the right of any CreditEase Group Company to enter into this Agreement or any of the other Transaction Documents.

5.6 Target Business. The Target Business has been carried on in the ordinary course and so as to maintain the same as a going concern from the date hereof to the Closing Date. There is no existing fact or circumstance that could reasonably expected to have, individually or in the aggregate, a CreditEase Material Adverse Effect.

5.7 Contributed Business Financial Statements.

(a) The Audited Contributed Business Financial Statements will be (i) prepared in accordance with the books and records of the CreditEase Group Companies, (ii) true, correct and complete and present fairly the financial condition of the Contributed Business as of the date or dates therein indicated and the results of operations for the period or periods therein specified, and (iii) prepared in accordance with U.S. GAAP applied on a consistent basis. Except as reflected in the Audited Contributed Business Financial Statements, the Contributed Business will not have any Liabilities as of the date or dates therein indicated.

(b) The Unaudited Contributed Business Financial Statements are (i) prepared in accordance with the books and records of the CreditEase Group Companies, (ii) true, correct and complete and present fairly the financial condition of the Contributed Business as of the date or dates therein indicated and the results of operations for the period or periods therein specified, except for immaterial adjustments that may be required in the audit process, and (iii) prepared in accordance with U.S. GAAP applied on a consistent basis. Except as reflected in the Unaudited Contributed Business Financial Statements, the Contributed Business does not have any Liabilities as of the date or dates therein indicated.

5.8 Equity Transferred Pursuant to the Equity Transfer Documents. The equity interests transferred or to be transferred to the Yirendai Group pursuant to the Equity Transfer Documents are validly issued, fully paid and non-assessable and free and clear of any Lien, right of first refusal, third-party right or interest, claim or restriction of any kind or nature (except to the extent such concepts are not applicable under the applicable Law), except for any Lien, right of first refusal, third-party right or interest, claim or restriction mandated by applicable Law. Good and valid title to the equity interests transferred or to be transferred to the Yirendai Group pursuant to the Equity Transfer Documents will be passed to the applicable Yirendai Group Companies upon consummation of the equity transfers contemplated under the Equity Transfer Documents.

5.9 Transferred Contracts. Each Transferred Contract that is material to the Contributed Business has been duly executed and is valid and binding on the parties thereto with full force and effect. No material Transferred Contract will be terminated as a result of or in connection with the transactions contemplated by this Agreement and the other Transaction Documents. Except as set forth in the Disclosure Schedule, no CreditEase Group Company is in breach of any material obligations, or has knowledge of the invalidity or grounds for rescission, avoidance or repudiation of, or any breach of any material obligations by any counterparty to any material Transferred Contract, nor has any CreditEase Group Company received written notice of any intention to terminate any material Transferred Contract or repudiate or disclaim any transaction pursuant thereto in any material respect.

5.10 Transferred Employees. No CreditEase Group Company is a party to any collective bargaining agreement. Except as set forth in the Disclosure Schedule, and to the best knowledge of any CreditEase Group Company, there are no labor strikes, union organizing efforts, picketing, handbilling, organized work stoppages, organized work slowdowns or other material labor disputes involving any Transferred Employees. Except as set forth in the Disclosure Schedule, provided for in the Transaction Documents and as expressly contemplated under the existing employment agreements with the Transferred Employees, (i) no CreditEase Group Company has any material obligation or liability whatsoever in respect of the employment of any Transferred Employee for any period prior to the Closing, including under any employee incentive plan, as a result of its execution of this Agreement or the other Transaction Documents or as a result of the completion of the transactions contemplated hereby and thereby, and (ii) each CreditEase Group Company has complied in all material respects with all applicable national, provincial, local or municipal equal employment opportunity and other employment Laws.

5.11 Transferred IP.

(a) Except as set forth in the Disclosure Schedule, each relevant CreditEase Group Company owns all necessary rights (including the rights of development, maintenance, licensing and sale), title and interest in and to, free and clear of all Liens, or otherwise has all necessary and valid rights to use, all the Transferred IP, and no item of such Transferred IP is subject to any outstanding material injunction, judgment, order, decree, ruling or charge. Each material Transferred IP is valid, enforceable and subsisting, in full force and effect, and has not been cancelled, expired or abandoned. The possession, development, use, marketing, licensing, sale or other exploitation by each CreditEase Group Company of any and all of the Transferred IP does not materially infringe, violate, misappropriate or otherwise interfere or conflict with any patent, trademark or other right, title or interest of any third party. There is no written notice, claim or assertion that (i) any item of Transferred IP is invalid or any proprietary right therein is owned by a Person other than a CreditEase Group Company or (ii) any CreditEase Group Company, any item of Transferred IP or the conduct of the Target Business as currently conducted materially infringes, violates, misappropriates or otherwise materially interferes or conflicts with any right, title or interest of any third party, and there is no actual, pending or, to the best knowledge of any CreditEase Group Company, threatened claim, action, opposition, re-examination, interference or cancellation proceeding with respect thereto. The Transferred IP comprises all of the Intellectual Property that is currently used for, and are necessary, sufficient and adequate to carry out, the operation of the Target Business as currently operated.

(b) Except as set forth in the Disclosure Schedule, each Transferred IP is owned by or registered or applied for solely in the name of the relevant CreditEase Group Companies, and all necessary registration, maintenance and renewal fees with respect thereto and currently due have been satisfied. No CreditEase Group Company or, to the best knowledge of any CreditEase Group Company, any of its employees, officers or directors has taken any actions or failed to take any actions that would cause any Transferred IP to be invalid, unenforceable or not subsisting. Except as would not reasonably be expected to have a CreditEase Material Adverse Effect, (i) no Transferred IP is the subject of any Lien, license or other contract granting rights therein to any other Person, (ii) no Transferred IP is subject to any proceeding, Order, settlement agreement or stipulation that restricts in any manner the use, transfer or licensing thereof by any CreditEase Group Company or affects the validity, use or enforceability of such Transferred IP, (iii) no CreditEase Group Company has transferred or assigned any Transferred IP, authorized the joint ownership of any Transferred IP, or permitted the rights of any CreditEase Group Company in any Transferred IP to lapse or enter the public domain, and (iv) to the best knowledge of the CreditEase Group Companies, no third party is infringing any of the Transferred IP.

(c) Each of the CreditEase Group Companies has taken reasonably adequate security measures consistent with standard practices in the industry in which the Target Business operates, to protect the secrecy, confidentiality and value of all of the trade secrets and any other material non-public, proprietary information included in the Transferred IP.

5.12 Transferred Lease. Except as set forth in the Disclosure Schedule, each Transferred Lease is in full force and effect, unimpaired by any acts or omissions of the relevant CreditEase Group Company, and constitutes the legal, valid and binding obligation of such CreditEase Group Company, enforceable against such CreditEase Group Company in accordance with its terms, and against each other party thereto. All rent and other sums and charges payable by the relevant CreditEase Group Company as tenant thereunder are current in all material respects, no written notice of default or termination under any Transferred Lease is outstanding. No uncured default on the part of the relevant CreditEase Group Company or, to the best knowledge of the CreditEase Group Companies, the relevant landlord exists under any Transferred Lease. Except as set forth in the Disclosure Schedule, the relevant CreditEase Group Companies own the leasehold interests described in the Transferred Leases free and clear of all Liens, subject to the terms and conditions of such Transferred Leases and applicable Laws. Registration as required by applicable Laws has been duly completed with respect to each Transferred Lease.

5.13 Transferred Tangible Assets. Each Transferred Tangible Asset is in good working order in all material respects, subject to ordinary wear and maintenance given its age. One or more of the CreditEase Group Companies are the owner or have direct control of the Transferred Tangible Assets. None of the CreditEase Group Companies has entered into or granted any Contract, option or right with or to any third party in relation to any of the Transferred Tangible Asset which is still in force and effect, other than those in the ordinary course of business. The existence, use, distribution, operation, sale, transfer, modification or disposal of all or any part of any Transferred Tangible Asset (including any ancillary part thereof) will not violate any applicable Law or infringe upon or misappropriate the rights of any third party. There is no written notice, claim or assertion of any such violation, infringement or misappropriation and no actual, pending or, to the best knowledge of the CreditEase Group Companies, threatened claim, action, investigation or proceeding with respect thereto.

5.14 Legal Actions Regarding Contributed Assets. There are no legal actions in progress, pending or, to the best knowledge of the CreditEase Group Companies, threatened against any of the CreditEase Group Companies, the Target Business or the Contributed Assets, which, if decided adversely against such CreditEase Group Company, the Target Business or the Contributed Assets, could be reasonably likely to (i) result in material liability to the Contributed Business, or (ii) prohibit or delay the transaction contemplated the Transaction Documents. Neither the Target Business nor the Contributed Assets are subject to any Orders that would reasonably be expected to have, individually or in the aggregate, a CreditEase Material Adverse Effect.

5.15 Compliance with Law. Each CreditEase Group Company has, in connection with the execution and delivery of this Agreement and each other Transaction Document to which it is a party and the consummation of the transactions contemplated hereby and thereby, complied with all applicable Laws. Except as set forth in the Disclosure Schedule, the Target Business and the Contributed Assets are in compliance with all applicable Laws in material respects.

5.16 Sufficiency of Contributed Assets. The Contributed Assets comprise all of the material assets, Intellectual Property, employees and Contracts that are currently used for, and are necessary, sufficient and adequate to carry out, the operation of the Target Business as currently operated. The Contributed Assets have been maintained and serviced in accordance with normal industry practice and in compliance with all applicable Laws in material respects.

5.17 Tax Filings. Except as set forth in the Disclosure Schedule, each CreditEase Group Company contributing any part of the Target Business to the Yirendai Group has filed or caused to be filed in a timely manner all applicable Tax Returns required to be filed by it, all such Tax Returns are true, correct and complete in all material respects, and each such CreditEase Group Company has paid, or provided adequate reserves, for all deficiencies or other assessments of Tax owed by it in respect of the Target Business to any Governmental Authority. No unassessed Tax deficiency has been proposed or, to the best knowledge of the CreditEase Group Companies, threatened against any CreditEase Group Company by any Governmental Authority (taking into account applicable extensions). No Tax examination, audit, investigation or administrative or judicial proceedings by any Governmental Authority are currently in progress with respect to the Target Business or the Contributed Assets. No CreditEase Group Company has received from any Governmental Authority (i) any written notice indicating any intent to open an examination, audit, investigation or administrative or judicial proceedings in respect of any Tax or Tax Return or (ii) any written notice of deficiency or proposed adjustment for any unpaid Taxes. No unassessed Tax deficiency has been, to the best knowledge of the CreditEase Group Companies, threatened against any CreditEase Group Company by any Governmental Authority.

5.18 Control Documents.

(a) Each CreditEase Group Company that is a party to any Control Document has full power and authority to enter into, execute and deliver such Control Document and each other agreement, certificate, document and instrument to be executed and delivered by it pursuant to the Control Documents and to perform its obligations thereunder. The execution and delivery by such CreditEase Group Company of each Control Document to which it is a party and the performance by such CreditEase Group Company of its obligations thereunder have been duly authorized by all requisite actions on its part. Each Control Document to which such CreditEase Group Company is a party has been duly executed and delivered by such party and constitutes the legal, valid and binding obligations of such party, enforceable against such party in accordance with its terms, except as limited by (i) applicable bankruptcy, insolvency, reorganization, moratorium and other laws of general application affecting enforcement of creditors' rights generally and (ii) laws relating to the availability of specific performance, injunctive relief or other equitable remedies.

(b) No Authorizations are required to be obtained for the execution and delivery of the Control Documents, the performance by the parties to each Control Document of their respective obligations thereunder and the transactions contemplated under the Control Documents, other than those Authorizations that (i) have already been obtained and remain in full force and effect, (ii) are required to register any share pledge to secure each VIE Entity's obligations under the Control Documents, or (iii) are required for transfer of equity interests in each VIE Entity upon exercise by the WFOE of its rights under the relevant exclusive option agreement among the WFOE, that VIE Entity and the shareholders of that VIE Entity.

(c) The execution, delivery and performance by each and all of the relevant parties (except for the applicable Yirendai Group Companies) of their respective obligations under each and all of the Control Documents, and the consummation of the transactions contemplated thereunder, did not and do not (i) result in any violation of their respective articles of association, business licenses or constitutive documents, (ii) result in any violation of any applicable PRC Laws, or (iii) conflict with or result in a breach or violation of any of the terms or provisions of, or constitute a default under, any Order of any court of the PRC having jurisdiction over such relevant parties to the Control Documents or any material Contract to which any such party is a party or by which any such party is bound.

(d) Each Control Document entered into between the WFOE and each VIE Entity is, and all of such Control Documents taken as a whole are, legal, valid, enforceable and admissible as evidence under PRC Laws, and constitute the legal and binding obligations of the relevant parties.

(e) All shareholders of each VIE Entity have been acting in good faith and in the best interests of CreditEase prior to the date hereof. There have been no disputes, disagreements, claims or any legal proceedings of any nature, raised by any Governmental Authority or any other party, pending or, to the best knowledge of the CreditEase Group Companies, threatened against or affecting any of the CreditEase Group Companies (including the VIE Entities), that (i) challenge the validity or enforceability of any part or all of the Control Documents taken as a whole, (ii) challenge the VIE structure or the ownership structure as set forth in the Control Documents, (iii) claim any ownership, share, equity or interest in any VIE Entity or any other CreditEase Group Company, or claim any compensation for not being granted any ownership, share, equity or interest in any VIE Entity or any other CreditEase Group Company, or (iv) claim any of the Control Documents or the ownership structure thereof or any arrangement or performance of or in accordance with the Control Documents was, is or will violate any PRC Laws.

(f) As of the date of this Agreement, VIE Entity 2 does not (i) have the right to Control, or (ii) directly or indirectly own or have the right to acquire, any equity, partnership or other ownership interest in, any company, partnership or other legal entity or structure, except that VIE Entity 2 owns such percentage of each legal entity or structure set forth in Schedule IV attached hereto as set forth next to its respective name in the column entitled "Percentage Held by VIE Entity 2".

5.19 Solvency. Both before and after giving effect to the transactions contemplated by the Transaction Documents, the aggregate assets, at a fair valuation, of the Contributed Business will exceed the aggregate debt thereof, as the debt becomes absolute and matures. No order or petition has been presented or resolution passed for the administration, winding-up, dissolution or liquidation of any Contributed Business and no administrator, receiver or manager has been appointed in respect thereof. No proceedings have been commenced under any bankruptcy, reorganization, composition, arrangement, adjustment of debt, release of debtors, dissolution, insolvency, liquidation or similar Law of any jurisdiction against any Contributed Business.

5.20 Anti-Corruption Compliance. No CreditEase Group Company has, and, to the best knowledge of the CreditEase Group Companies, none of the directors, officers, agents, employees, Affiliates or other Persons acting on behalf of any CreditEase Group Company has, in relation to the operation of the Target Business:

(a) made or offered any payment of anything of value, or authorized such payment or offer, to any officer, employee or any other person acting in an official capacity for any government or any department, agency or instrumentality thereof, including any entity or enterprise owned or controlled by a government, or for any public international organization, to any political party or official thereof or to any candidate for political office (individually and collectively, a "Government Official") or to any person knowing or being aware of a high probability that all or a portion of such money or thing of value will be unlawfully offered, given or promised, directly or indirectly, to any Government Official, for the purpose of (i) influencing any act or decision of such Government Official in his official capacity, (ii) inducing such Government Official to do or omit to do any act in violation of his lawful duty, (iii) securing any improper advantage, (iv) inducing such Government Official to influence or affect any act or decisions of any entity or enterprise owned or controlled by a government, or (v) assisting any CreditEase Group Company in obtaining or retaining business for or with, or directing business to, any CreditEase Group Company; or

(b) violated any provision of applicable anti-bribery and anti-corruption Laws of any jurisdiction in which any CreditEase Group Company conducts its business or operations, including the United States Foreign Corrupt Practices Act of 1977, as amended.

5.21 Brokers. None of the CreditEase Group Companies has engaged with or received services from any broker, finder, commission agent, placement agent or arranger in connection with the acquisition of the Subscription Shares, the transfer of the Target Business and the Contributed Assets or matters in connection therewith.

5.22 Status; Purchase for Own Account. CreditEase is not a "U.S. person" as defined in Rule 902 of Regulation S under the Securities Act. CreditEase is acquiring the Subscription Shares outside the United States in reliance upon the exemption from registration provided by Regulation S under the Securities Act, and in accordance with any applicable securities laws of any state of the United States or any other jurisdiction. CreditEase has sufficient knowledge and experience in financial and business matters so as to be capable of evaluating the merits and risks of its investment in the Subscription Shares. CreditEase is capable of bearing the economic risks of its investment, including a complete loss thereof. The Subscription Shares will be acquired for CreditEase's own account, not as a nominee or agent and not with a view to or in connection with the sale or distribution of any part thereof. CreditEase does not have any direct or indirect arrangement, or understanding with any other Persons regarding the distribution of the Subscription Shares in violation of the Securities Act or any other applicable state securities law.

5.23 Solicitation. CreditEase was not identified or contacted through the marketing of the transactions contemplated by this Agreement. CreditEase did not contact Yirendai as a result of any general solicitation or directed selling efforts. The purchase of the Subscription Shares by CreditEase was not solicited by or through anyone other than Yirendai.

5.24 Restricted Securities. CreditEase acknowledges that the Subscription Shares are "restricted securities" that have not been registered under the Securities Act or any applicable state securities law. CreditEase further acknowledges that, absent an effective registration under the Securities Act, the Subscription Shares may only be offered, sold or otherwise transferred (i) to Yirendai, (ii) outside the United States in accordance with Rule 904 of Regulation S under the Securities Act, or (iii) pursuant to an exemption from registration under the Securities Act.

5.25 Disclosure. CreditEase has provided Yirendai with all the material information regarding the Target Business and Contributed Assets requested by Yirendai for deciding whether to enter into this Agreement and the other Transaction Documents. There is no fact that CreditEase has not disclosed to the Yirendai Group Companies that has had or would reasonably be expected to have a CreditEase Material Adverse Effect.

5.26 Representations and Warranties in Other Transaction Documents. Each of the representations and warranties made by any CreditEase Group Company in each of the Transaction Documents other than this Agreement is true and correct, subject to any disclosures qualifying such representations and warranties set forth in such Transaction Document. Each of the representations and warranties made by any CreditEase Group Company in each such Transaction Document shall be and is hereby incorporated into this Agreement and repeated as a representation and warranty of CreditEase under this Agreement.

5.27 No Other Representations and Warranties. CreditEase makes no other representations and warranties, implied or otherwise, other than those expressly set out in this Agreement.

6. COVENANTS; ADDITIONAL AGREEMENTS

6.1 Further Assurances. Each Party shall use reasonable best efforts to make, do, execute, or cause or procure to be made, done and executed such further acts, deeds, conveyances, consents and assurances without further consideration, which may reasonably be required or advisable to effect the transactions contemplated by this Agreement and the other Transaction Documents.

6.2 Notice of Developments. Yirendai shall promptly advise CreditEase of any action or event of which Yirendai becomes aware and which would have the effect of making incorrect any representations and warranties made by Yirendai if given with reference to facts and circumstances then existing or of rendering any covenants of Yirendai incapable of performance. CreditEase shall promptly advise Yirendai of any action or event of which CreditEase becomes aware and which would have the effect of making incorrect any representations and warranties of CreditEase if given with reference to facts and circumstances then existing or of rendering any covenants of CreditEase incapable of performance. CreditEase shall promptly provide information to Yirendai, as Yirendai may from time to time reasonably request, regarding the status of completion of the transactions contemplated in the Transaction Documents (including the percentage of the Contributed Assets subject to the Specified Transaction Documents that have been duly transferred to the Yirendai Group) and CreditEase's anticipated timing of the Closing.

6.3 Compliance with Transaction Documents. CreditEase hereby agrees that it shall cause the CreditEase Group Companies to perform all applicable Transaction Documents, and shall be liable for any failure by the CreditEase Group Companies to perform the applicable Transaction Documents as if it were a primary obligor thereunder. Yirendai hereby agrees that it shall cause the relevant Yirendai Group Companies that are parties to the Transaction Documents to perform all applicable Transaction Documents, and shall be liable for any failure by such Yirendai Group Companies to perform the Transaction Documents as if it were a primary obligor thereunder.

6.4 Conduct of Business. Between the date hereof and the Closing Date, except for the transactions contemplated under the Transaction Documents, CreditEase shall and shall cause its Affiliates to, with respect to Target Business other than the Target Business that has been transferred to the Yirendai Group as of the date hereof, (a) conduct the business in the ordinary course consistent with past practice, as a going concern and in compliance with all applicable Laws and Contracts, (b) pay or perform debts, Taxes, and other obligations when due, (c) maintain its assets in a condition comparable to their current condition, reasonable wear, tear and depreciation excepted, (d) use reasonable best efforts to preserve intact its current business organizations and keep available the services of its current officers and employees and preserve its relationships with customers, suppliers and others having business dealings with it, and (e) otherwise periodically report to Yirendai concerning the status of the business, operations and finance.

6.5 VIE Entity 2. As soon as practicable and in no event later than six months (or such longer period of time as the Parties may agree) after the Closing, CreditEase shall take all necessary and appropriate actions to cause VIE Entity 2 to fully divest its ownership interests in each of the Specified Divestment Entities so that upon such divestment, (i) VIE Entity 2 will not have the right to Control, or directly or indirectly own or have the right to acquire, any equity, partnership or other ownership interest in, any Specified Divestment Entity, and (ii) the financial results of any Specified Divestment Entity will not be fully or partially consolidated into the financial results of VIE Entity 2 in accordance with U.S. GAAP or any applicable accounting standards. If reasonably requested by CreditEase, Yirendai shall cooperate with CreditEase to effect the foregoing.

6.6 Post-Closing Assurance. In the event that, at any time after the Closing Date, (i) any Government Authority of competent jurisdiction issues or threatens to issue an objection of any form to any transaction(s) contemplated by and consummated in accordance with any of the Transaction Documents on the ground that any such transaction is illegal or fails to comply with any applicable Laws, or (ii) the applicable Yirendai Group Company is unable to obtain peer-to-peer lending license due to defects in or noncompliance with Laws with respect to the Contributed Assets, then, without limiting other remedies to which Yirendai may be entitled at law or in equity, Yirendai shall be entitled to take all necessary or appropriate steps to promptly unwind the transaction(s) in question, and CreditEase shall and shall cause applicable CreditEase Group Companies to cooperate with Yirendai in the unwinding of the transaction(s); provided that the form and amount of the consideration with respect to the transaction(s) to be returned to Yirendai shall be negotiated and agreed on in good faith between the Parties or, should no agreement be reached, shall be determined by a third-party independent appraiser.

6.7 Transitional Services. From and after the date of this Agreement, CreditEase shall provide or cause its Affiliates to provide certain services to the applicable Yirendai Group Companies on the terms and subject to the conditions set forth in the Amended Transitional Services Agreement.

6.8 Continuous Transfer. In the event that less than all of the Contributed Assets have been duly transferred to the Yirendai Group as of the Closing Date, CreditEase shall, and shall cause each applicable CreditEase Group Company to, use its best efforts to complete the transactions contemplated by the Specified Transaction Documents so that all of the Contributed Assets shall be duly transferred to the Yirendai Group within six months (or such longer period of time as the Parties may agree) after the Closing Date.

6.9 Taxes. Except as otherwise provided in this Agreement or any other Transaction Documents, each Party shall bear its respective Taxes incurred in connection with the consummation of the transactions contemplated by this Agreement and the other Transaction Documents.

6.10 Release. From and after the Closing, except as arising out of actions or omissions occurring after the Closing Date or arising as a result of this Agreement or the Transaction Documents, CreditEase hereby waives and releases, on behalf of itself and each of its Affiliates and to the fullest extent permitted by applicable Law, each Yirendai Group Company and the Contributed Business, from any and all Liabilities, rights, defenses, claims and causes of action, known or unknown, foreseen or unforeseen which CreditEase or any of its Affiliates has or may have in the future against the Contributed Business with respect to matters arising prior to the Closing Date.

6.11 Confidentiality.

(a) Each Party shall, and shall cause its Affiliates to, keep confidential any non-public material or information with respect to this Agreement and the other Transaction Documents, any of the terms and conditions of, and the status or other facts with respect to, this Agreement and the other Transaction Documents and the transactions contemplated hereby and thereby, including the existence of this Agreement and the other Transaction Documents (including written or non-written information, hereinafter the "Confidential Information"). Confidential Information shall not include any information that is (a) previously known on a non-confidential basis by the receiving Party, (b) in the public domain through no fault of such receiving Party, its Affiliates or its or its Affiliates' officers, directors or employees, (c) received from a party other than the Parties or their Affiliates, representatives or agents, so long as such party was not, to the knowledge of the receiving Party, subject to a duty of confidentiality to such Party or Affiliates or (d) developed independently by the receiving Party without reference to confidential information of the disclosing Party. No Party shall disclose such Confidential Information to any third party. Either Party may use the Confidential Information only for the purpose of, and to the extent necessary for, performing this Agreement, and shall not use such Confidential Information for any other purposes.

(b) Notwithstanding any other provisions in this Section 6.10, if any Party believes in good faith that any announcement or notice must be prepared or published pursuant to applicable Laws (including any rules or regulations of any relevant securities exchange or valid legal process) or information is otherwise required to be disclosed to any Governmental Authority, such Party may, in accordance with its understanding of the applicable Laws, make the required disclosure in the manner it deems in compliance with the requirements of applicable Laws, rules or regulations; provided that the Party that is required to make such disclosure shall, to the extent permitted by applicable Law and so far as it is reasonably practicable, provide the other Party with prompt notice of such requirement and reasonably cooperate with the other Party at such other Party's request and at the requesting Party's cost, to enable such other Party to seek an appropriate protection order or remedy. In addition, each Party may disclose, after giving prior notice to the other Party to the extent reasonably practicable under the circumstances and subject to any practicable arrangements to protect confidentiality, Confidential Information to the extent required under judicial or regulatory process or in connection with any judicial process regarding any legal action, suit or proceeding arising out of or relating to this Agreement or any other Transaction Document; provided that the Party who is required to make such disclosure shall, to the extent permitted by applicable Law and so far as it is reasonably practicable, at the other Party's request and at the requesting Party's cost, reasonably cooperate with the other Party to enable such other Party to seek an appropriate protection order or remedy.

(c) Each Party may disclose the Confidential Information only to its Affiliates and its and its Affiliates' officers, directors, employees, agents and representatives on a need-to-know basis in the performance of the Transaction Documents; provided that such Party shall ensure such Persons strictly abide by the confidentiality obligations hereunder.

(d) The confidentiality obligations of each Party hereunder shall survive the termination of this Agreement for a period of two (2) years. Each Party shall continue to abide by the confidentiality clause hereof and perform the obligation of confidentiality it undertakes until the other Party approves release of that obligation or until a breach of the confidentiality clause hereof will no longer result in any prejudice to the other Party.

7. TERMINATION

7.1 Termination. This Agreement may be terminated at any time prior to the Closing:

(a) by the written consent of each of the Parties;

(b) by any Party through written notice to the other Party if the Closing shall not have occurred by June 30, 2020; provided that a Party shall have no right to terminate this Agreement pursuant to this Section 7.1(b) if the failure to consummate the Closing was caused by the breach by such Party or its Affiliate of any representation, warranty, covenant or agreement in this Agreement or any other Transaction Document;

(c) by any Party through written notice to the other Party if any Governmental Authority shall have enacted or issued any Law or Order or taken any other action permanently restraining, enjoining, preventing, prohibiting or otherwise making illegal the consummation of the transactions contemplated under the Transaction Documents and such Law, Order or other action has become final and non-appealable; provided that a Party shall have no right to terminate this Agreement pursuant to this Section 7.1(c) if the imposition of such Law, Order or other action was caused by the breach by such Party or its Affiliate of any representation, warranty, covenant or agreement in this Agreement or any other Transaction Document;

(d) by Yirendai if there exists a material breach of any representation, warranty, covenant or agreement of CreditEase such that the conditions set forth in Section 3.4 would not be satisfied and such breach has not been cured, or is incapable of being cured, by CreditEase within 30 days following its receipt of written notice from Yirendai of such breach; or

(e) by CreditEase if there exists a material breach of any representation, warranty, covenant or agreement of Yirendai such that the conditions set forth in Section 3.5 would not be satisfied and such breach has not been cured, or is incapable of being cured, by Yirendai within 30 days following its receipt of written notice from CreditEase of such breach.

7.2 Effects of Termination. Upon the termination of this Agreement pursuant to this Section 7.1, this Agreement (other than Article 1 and Article 9) shall become void and have no further force or effect; provided that no such termination shall relieve any Party of liability for any breach of this Agreement prior to such termination. In case of termination of this Agreement pursuant to this Section 7.1, Yirendai shall promptly take all steps as may be reasonably requested in writing by CreditEase to effect the reversal or revocation of any of the actions carried out in fulfilment of transactions contemplated under the Transaction Documents, so as to restore to CreditEase the full legal and registered title of the Contributed Business.

8. **INDEMNITY**

8.1 Survival. The representations and warranties of Yirendai and CreditEase and their respective Affiliates contained in this Agreement and the other Transaction Documents shall survive the Closing for a period of 18 months after the Closing Date, save for the Fundamental Representations of Yirendai and the Fundamental Representations of CreditEase which shall survive until the expiration of the applicable statutory limitation periods. The covenants and agreements of Yirendai and CreditEase and their respective Affiliates set forth herein or in any other Transaction Document shall survive the Closing until fully discharged in accordance with their terms, except for those covenants and agreements which shall be complied with or discharged prior to the Closing in accordance with the terms of this Agreement or any other Transaction Document. Notwithstanding the foregoing, any breach of any representation, warranty, covenant or agreement in respect of which indemnity may be sought under this Agreement and the other Transaction Documents shall survive the time at which it would otherwise terminate, 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.

8.2 Indemnification.

(a) Indemnification by Yirendai. From and after the Closing, Yirendai shall indemnify and hold harmless CreditEase and its directors, officers, employees, Affiliates, agents and assigns (each, a "CreditEase Indemnitee") against any losses, liabilities, damages, penalties, diminution in value, reasonable costs and expenses, including reasonable advisor's fees and other expenses of investigation and defense of any of the foregoing (collectively, "Losses"), incurred by such CreditEase Indemnitee as a result of, arising out of or in connection with (i) any breach or violation of, or inaccuracy in, any representation or warranty made by Yirendai in this Agreement or by any Yirendai Group Company in any other Transaction Document or any claim by any third party alleging, constituting or involving such a breach, violation or inaccuracy; and (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, Yirendai in this Agreement or any Yirendai Group Company in any other Transaction Document, or any claim by any third party alleging, constituting or involving any such breach or violation or default or failure to perform.

(b) Indemnification by CreditEase. From and after the Closing, CreditEase shall indemnify and hold harmless Yirendai and its directors, officers, employees, Affiliates, agents and assigns (each, a "Yirendai Indemnitee") against any Losses incurred by such Yirendai Indemnitee as a result of, arising out of or in connection with (i) any breach or violation of, or inaccuracy in, any representation or warranty made by or on behalf of CreditEase in this Agreement or by any CreditEase Group Company in any other Transaction Document or any claim by any third party alleging, constituting or involving such a breach violation or inaccuracy; (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, CreditEase in this Agreement or any CreditEase Group Company in any other Transaction Document, or any claim by any third party alleging, constituting or involving any such breach or violation or default or failure to perform; (iii) any violation or non-compliance with applicable Laws by any CreditEase Group Company, the Target Business or the Contributed Assets on or prior to the Closing Date, whether in the course of business or in connection with the execution and delivery of this Agreement and each other Transaction Document to which it is a party and the consummation of the transactions contemplated hereby and thereby; (iv) any defect in real property ownership or leasing right of the applicable lessor relating to, or any violation of Laws (including without limitation Laws requiring registration of lease) or breach of third-party rights regarding, any Transferred Lease; (v) any violation or non-compliance with applicable Laws, or liability of any kind, by or in relation to any Specified Divestment Entity; (vi) any failure to timely file applicable Tax Returns (or any failure for such Tax Returns to be true, correct and complete) or any failure to timely and fully pay applicable Taxes owed by the Contributed Business or by any CreditEase Group Company contributing any part of the Target Business to the Yirendai Group, for any tax period (or portion thereof) up to the Closing Date; and (vii) any litigation or arbitration proceedings arising out of or based on an event that occurred or an action that was taken on or prior to the Closing Date; provided, that for the avoidance of doubt, the indemnification obligation pursuant to any of Section 8.2(b)(iii) through (vii) above shall not be restricted by any disclosure made in the Disclosure Schedule.

(c) For purposes of this Agreement, (i) "Indemnifying Party" means Yirendai (with respect to Section 8.2(a)) or CreditEase (with respect to Section 8.2(b)); and (ii) "Indemnified Party" means the CreditEase Indemnitee(s) (with respect to Section 8.2(a)) or the Yirendai Indemnitee(s) (with respect to Section 8.2(b)).

8.3 Reliance. Yirendai and CreditEase acknowledge and agree that (i) Yirendai has entered into this Agreement and agreed to the allotment and issuance of the Subscription Shares to CreditEase hereunder, in reliance on the representations and warranties, and covenants and agreements, made by CreditEase in this Agreement and by the CreditEase Group Companies in the other Transaction Documents, and (ii) CreditEase has entered into this Agreement and agreed to subscribe for the Subscription Shares in reliance on the representations and warranties, and covenants and agreements, made by Yirendai in this Agreement and by the Yirendai Group Companies in the other Transaction Documents.

8.4 Investigation. The right to indemnification will not be affected by any investigation conducted with respect to, or any knowledge acquired (or capable of being acquired) at any time, whether before or after the execution and delivery of this Agreement or the Closing Date, with respect to the accuracy or inaccuracy of or compliance with, any representation, warranty, covenant or agreement made by a party hereto or any other matter. The waiver of any condition based on the accuracy of any such representation or warranty, or on the performance of or compliance with any such covenant or agreement, will not affect the right to indemnification hereunder based on any such representation, warranty, covenant or agreement.

8.5 Third Party Claims.

(a) If any third party shall notify any Indemnified Party in writing with respect to any matter involving a claim by such third party (a "Third Party Claim") which such Indemnified Party believes would give rise to a claim for indemnification against an Indemnifying Party under this Article 8, then the Indemnified Party shall promptly following receipt of notice of such claim transmit to the Indemnifying Party a written notice (a "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. Notwithstanding the foregoing, no failure or delay in providing such Claim Notice shall constitute a waiver or otherwise modify the Indemnified Party's right to indemnification hereunder, except to the extent that the Indemnifying Party shall have been prejudiced by such failure or delay. If the Indemnifying Party does not notify the Indemnified Party in writing within 30 days from receipt of such Claim Notice that the Indemnifying Party disputes such claim for indemnification under this Agreement, the Indemnifying Party shall be deemed to have accepted and agreed with such claim for indemnification under this Agreement.

(b) Upon the receipt of a Claim Notice with respect to a Third Party Claim, the Indemnifying Party shall have the right to assume the defense of any Third Party Claim by notifying the Indemnified Party in writing within 30 days of receipt of such Claim Notice that the Indemnifying Party elects to assume the defense of such Third Party Claim, and upon delivery of such notice by the Indemnifying Party, the Indemnifying Party shall have the right to fully control and settle the relevant proceeding; provided that any settlement the terms of which include an admission of fault by the Indemnified Party shall require the prior written consent of the Indemnified Party. Notwithstanding the foregoing, the Indemnifying Party shall not be entitled to assume the defense of any Third Party Claim if (i) the Third Party Claim relates to or arises in connection with any criminal action, (ii) the Third Party Claim seeks an injunction or equitable relief against any Indemnified Party, or (iii) the Indemnifying Party has not acknowledged that such Third Party Claim is subject to indemnification pursuant to this Article 8.

(c) If requested by the Indemnifying Party, the Indemnified Party shall cooperate reasonably with the Indemnifying Party and its counsel in contesting any Third Party Claim which the Indemnifying Party elects to contest, including in connection with the making of any related counterclaim against the third party asserting the Third Party Claim or any cross complaint against any Person. The Indemnified Party shall have the right to receive copies of all pleadings, notices and communications with respect to such Third Party Claim, other than any privileged communications between the Indemnifying Party and its counsel, and shall be entitled, at its sole cost and expense, to retain separate co-counsel and participate in, but not control, any defense or settlement of any Third Party Claim assumed by the Indemnifying Party pursuant to Section 8.5(b).

(d) In the event that the Indemnifying Party fails to elect to assume the defense of a Third Party Claim within 30 days of receipt of the relevant Claim Notice or otherwise fails to continue the defense of the Indemnified Party in good faith, the Indemnified Party may, at its option, defend, settle, compromise or pay such action or claim at the expense of the Indemnifying Party.

8.6 Direct Claims. If any Indemnified Party has a claim against any Indemnifying Party hereunder that does not involve a Third Party Claim, the Indemnified Party shall promptly transmit to the Indemnifying Party a written notice (the "Indemnity Notice") describing in reasonable detail the nature of the claim, the Indemnified Party's best estimate of the amount of Losses attributable to such claim and the basis of the Indemnified Party's request for indemnification under this Agreement; provided that no failure or delay in providing such Indemnity Notice shall constitute a waiver or otherwise modify the Indemnified Party's right to indemnification hereunder, except to the extent that the Indemnifying Party shall have been prejudiced by such failure or delay. If the Indemnifying Party does not notify the Indemnified Party within 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.

8.7 Materiality. Notwithstanding any other provision in this Agreement, for the purposes of Section 8.2, in determining (a) the existence of any breach, violation or inaccuracy of any representation or warranty under this Agreement or under any other Transaction Document, and (b) the amount of any Losses suffered by any Indemnified Party as a result of, arising out or in connection with any such breach, violation, inaccuracy in each such case for which an Indemnifying Party is required to indemnify and hold harmless an Indemnified Party pursuant to this Article 8, all qualifications and limitations in such representations and warranties included or incorporated into this Agreement and any of the other Transaction Documents, in each case, with respect to material adverse effect, CreditEase Material Adverse Effect, Yirendai Material Adverse Effect, materiality, material or similar terms shall be entirely disregarded and will not have any effect, except that this Section 8.7 shall not apply to the extent that (i) any such representation or warranty relates to whether a CreditEase Material Adverse Effect or a Yirendai Material Adverse Effect (as applicable) or other material adverse effect has occurred; or (ii) any such term is used to limit or restrict an exception or carve out to any such representation or warranty.

8.8 Limitation to Liability.

(a) Absent fraud and willful breach, no Indemnifying Party shall be liable under Section 8.2 unless and until the aggregate amount of all claims of the Indemnified Party exceeds two percent (2%) of the total transaction value, in which case the Indemnifying Party shall be responsible for the full amount of such claim from dollar one.

(b) Absent fraud and willful breach, the maximum aggregate liabilities of CreditEase towards all of the Yirendai Indemnitees in respect of all Losses arising from (A) Section 8.2(b)(i), to the extent related to any breach or violation of, or inaccuracy in any Fundamental Representation of CreditEase, shall not exceed one hundred percent (100%) of the total transaction value; (B) Section 8.2(b)(ii) (other than with respect to Section 6.8) shall not exceed one hundred percent (100%) of the total transaction value; (C) Section 8.2(b)(iii), (iv) and (vii) shall not exceed one hundred percent (100%) of the total transaction value; and (D) Section 8.2(b)(i), to the extent not covered by clause (A) of this paragraph, shall not exceed fifty percent (50%) of the total transaction value. For the avoidance of doubt and notwithstanding anything to the contrary, absent fraud and willful breach, the maximum aggregate liabilities of CreditEase towards all of the Yirendai Indemnitees in respect of all Losses (other than Losses arising from Sections 8.2(b)(v), 8.2(b)(vi) and 6.8) shall not exceed one hundred percent (100%) of the total transaction value.

(c) Absent fraud and willful breach, the maximum aggregate liabilities of Yirendai towards all of the CreditEase Indemnitees in respect of all Losses arising from (A) Section 8.2(a)(i), to the extent related to any breach or violation of, or inaccuracy in any Fundamental Representation of Yirendai, shall not exceed one hundred percent (100%) of the total transaction value; (B) Section 8.2(a)(ii) shall not exceed one hundred percent (100%) of the total transaction value; and (C) Section 8.2(a)(i), to the extent not covered by clause (A) of this paragraph, shall not exceed fifty percent (50%) of the total transaction value. For the avoidance of doubt and notwithstanding anything to the contrary, absent fraud and willful breach, the maximum aggregate liabilities of Yirendai towards all of the CreditEase Indemnitees in respect of all Losses shall not exceed one hundred percent (100%) of the total transaction value.

(d) No Indemnifying Party shall be required to compensate the Indemnified Party more than once (whether under this Agreement or any other Transaction Document) in respect of the same Loss.

(e) Notwithstanding any provision to the contrary in this Agreement, from and after the Closing, except in the case of fraud or a willful breach, this Article 8 shall be the sole and exclusive remedy of the Indemnified Party for any claim with respect to any and all Losses arising out of or resulting from this Agreement; provided that nothing in this Article 8 shall affect any Party's right to seek and obtain any equitable relief to which such Party may be entitled pursuant to Section 9.6.

9. MISCELLANEOUS

9.1 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of Hong Kong without giving effect to any choice of law rule that would cause the application of the laws of any jurisdiction other than Hong Kong to the rights and duties of the Parties hereunder.

9.2 Successors and Assigns. Except as otherwise expressly provided herein, the provisions hereof shall inure to the benefit of, and be binding upon, the successors, assigns, heirs, executors and administrators of the Parties. This Agreement and the rights and obligations therein may not be assigned by any Party without the written consent of the other Party.

9.3 Entire Agreement. This Agreement and the other Transaction Documents, including the schedules and exhibits hereto and thereto, constitute the entire understanding and agreement among the Parties with regard to the subjects hereof and thereof.

9.4 Notices. All notices, requests, demands, and other communications under this Agreement shall be in writing and shall be deemed to have been duly given to the Party at the address set forth below (a) if in writing and served by personal delivery upon the Party for whom it is intended, on the date of such delivery, (b) if delivered by certified mail, registered mail or courier service, return-receipt received, on the date of such delivery, or (c) if delivered by email, upon confirmation of receipt by a non-automated response:

If to Yirendai, at:

Address: 10th Floor, Tower B, Gemdale Plaza
91 Jianguo Road, Chaoyang District
Beijing, People's Republic of China 100022

Attention: Mei Xu
Email: ***

If to CreditEase, at:

Address: 3/F, Winterless Center Building A
Chaoyang, Beijing, 100025
People's Republic of China

Attention: Ning Tang
Email: ***

9.5 Amendments. Any term of this Agreement may be amended only by a written instrument executed by both Yirendai (after obtaining the prior written consent of the audit committee of the Board) and CreditEase.

9.6 Specific Performance. The Parties agree that irreparable damage would occur in the event that any provision of this Agreement or any other Transaction Documents were not performed in accordance with the terms hereof or thereof, and that the Parties shall be entitled to seek specific performance of the terms hereof or thereof, in addition to any other remedy at law or equity.

9.7 Fees and Expenses. Except as otherwise provided in this Agreement or any other Transaction Documents, each Party shall bear its respective expenses incurred in connection with the negotiation, preparation and execution of this Agreement and the other Transaction Documents and the transactions contemplated hereby and thereby, including fees and expenses of attorneys, accountants, consultants and financial advisors.

9.8 Delays or Omissions; Waivers. No delay or omission to exercise any right, power or remedy accruing to any Party, upon any breach or default of any Party under this Agreement, shall impair any such right, power or remedy of such Party, nor shall it be construed to be a waiver of any such breach or default, or an acquiescence therein, or of any similar breach of default thereafter occurring. Any waiver by any Party of any condition or breach of default under this Agreement must be in writing signed by such Party (which in the case of Yirendai, shall obtain the prior written consent of the audit committee of the Board) and shall be effective only to the extent specifically set forth in such writing. All remedies, either under this Agreement or by Laws or otherwise afforded to any Party shall be cumulative and not alternative.

9.9 Interpretation. This Agreement shall be construed according to its fair language. The rule of construction to the effect that ambiguities are to be resolved against the drafting Party shall not be employed in interpreting this Agreement. The headings of the sections and subsections of this Agreement are for convenience of reference only and are not to be considered in construing this Agreement. Unless otherwise expressly provided herein, all references to sections and schedules herein are to sections and schedules of this Agreement. Unless a provision hereof expressly provides otherwise: (i) the term "or" is not exclusive; (ii) the terms "herein," "hereof," and other similar words refer to this Agreement as a whole and not to any particular section, subsection, paragraph, clause, or other subdivision; (iii) the masculine, feminine, and neuter genders will each be deemed to include the others; and (iv) whenever the words "include," "includes" or "including" are used in this Agreement, they shall be deemed to be followed by the words "without limitation."

9.10 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be an original, but all of which together shall constitute one instrument.

9.11 Severability. If any provision of this Agreement is found to be invalid or unenforceable, then such provision shall be construed, to the extent feasible, so as to render the provision enforceable and to provide for the consummation of the transactions contemplated hereby on substantially the same terms as originally set forth herein, and if no feasible interpretation would save such provision, it shall be severed from the remainder of this Agreement, which shall remain in full force and effect unless the severed provision is essential to the rights or benefits intended by the Parties. In such event, the Parties shall use their best efforts to negotiate, in good faith, a substitute, valid and enforceable provision or agreement which most nearly affects the Parties' intent in entering into this Agreement.

9.12 Dispute Resolution. Any dispute, controversy or claim (each, a "Dispute") arising out of or relating to this Agreement, or the interpretation, breach, termination, validity or invalidity thereof, shall be referred to arbitration upon the demand of either party to the dispute with notice (the "Arbitration Notice") to the other. The Dispute shall be settled by arbitration in Hong Kong by the Hong Kong International Arbitration Centre (the "HKIAC") in accordance with the Hong Kong International Arbitration Centre Administered Arbitration Rules (the "HKIAC Rules") in force at the time when the Arbitration Notice is submitted. The seat of arbitration shall be Hong Kong. There shall be three (3) arbitrators. The complainant and the respondent to such dispute shall each select one arbitrator within thirty (30) days after giving or receiving the demand for arbitration (the "Selection Period"). Such arbitrators shall be freely selected, and the parties shall not be limited in their selection to any prescribed list. The chairman of the HKIAC shall select the third arbitrator. If either party to the arbitration fails to appoint an arbitrator with the Selection Period, the relevant appointment shall be made by the chairman of the HKIAC. The arbitral proceedings shall be conducted in English. To the extent that the HKIAC Rules are in conflict with the provisions of this Section 9.12, including the provisions concerning the appointment of the arbitrators, this Section 9.12 shall prevail. Each party to the arbitration shall cooperate with each other party to the arbitration in making full disclosure of and providing complete access to all information and documents requested by such other party in connection with such arbitral proceedings, subject only to any confidentiality obligations binding on such party. The award of the arbitral tribunal shall be final and binding upon the parties thereto, and the prevailing party may apply to a court of competent jurisdiction for enforcement of such award. Any party to the Dispute shall be entitled to seek preliminary injunctive relief, if possible, from any court of competent jurisdiction pending the constitution of the arbitral tribunal. During the course of the arbitral tribunal's adjudication of the Dispute, this Agreement shall continue to be performed except with respect to the part in dispute and under adjudication.

[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, the Parties have executed and delivered this Agreement on the date and year first above written.

YIRENDAI LTD.

By: /s/ Yihan Fang
Name: Yihan Fang
Title: Chief Executive Officer

IN WITNESS WHEREOF, the Parties have executed and delivered this Agreement on the date and year first above written.

CREDITEASE HOLDINGS (CAYMAN) LIMITED

By: /s/ Ning Tang
Name: Ning Tang
Title: Chief Executive Officer

EXHIBIT 8.1

List of Subsidiaries and Consolidated Variable Interest Entities

Subsidiaries:	**Place of Incorporation**
Yirendai Hong Kong Limited	Hong Kong
Yi Ren Heng Ye Technology Development (Beijing) Co., Ltd.	PRC
Chongqing Heng Yu Da Technology Co., Ltd.	PRC
Yi Ren Information Consulting (Beijing) Co., Ltd.	PRC
Chongqing Heng Lang Sheng Technology Co., Ltd.	PRC
Chongqing Heng Xin Xin Technology Co., Ltd.	PRC
Consolidated variable interest entities:	
Heng Cheng Technology Development (Beijing) Co., Ltd.	PRC
Yiren Financial Information Service (Beijing) Co., Ltd.	PRC
CreditEase Puhui Information Consultant (Beijing) Co., Ltd.	PRC
CreditEase Huimin Investment Management (Beijing) Co., Ltd.	PRC
Huijin No. 28 Single Capital Trust E1*	PRC
Yiren Elite Loan Trust Beneficial Right Asset Backed Special Plan*	PRC
Huijin No. 28 Single Capital Trust E2*	PRC
Bohai Trust • Zhong Yi Property Trust No.1*	PRC
Huijin No. 28 Single Capital Trust E3*	PRC
Bohai Trust • Yirendai Personal Loan Single Capital Trust*	PRC
Huijin No. 28 Single Capital Trust E4*	PRC
Huijin No. 56 Collective Capital Trust E1*	PRC
Yi Heng No. 1 Property Right Trust*	PRC

* Please see note 2 to our audited consolidated financial statements included in this annual report for the details of the basis of consolidation.

EXHIBIT 12.1

Certification by the Principal Executive Officer
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Yihan Fang, certify that:

1. I have reviewed this annual report on Form 20-F of Yirendai Ltd.;

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)) 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: April 29, 2019

By: /s/ Yihan Fang
Name: Yihan Fang
Title: Chief Executive Officer

EXHIBIT 12.2

Certification by the Principal Financial Officer
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Jia Liu, certify that:

1. I have reviewed this annual report on Form 20-F of Yirendai Ltd.;

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)) for the company and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the company's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the company's internal control over financial reporting; and

5. The company's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the company's auditors and the audit committee of the company's board of directors (or persons performing the equivalent function):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the company's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the company's internal control over financial reporting.

Date: April 29, 2019

By: /s/ Jia Liu
Name: Jia Liu
Title: Co-Chief Financial Officer

EXHIBIT 13.1

Certification by the Principal Executive Officer

Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the Annual Report of Yirendai Ltd. (the "Company") on Form 20-F for the year ended December 31, 2018 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Yihan Fang, 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: April 29, 2019

By: /s/ Yihan Fang
Name: Yihan Fang
Title: Chief Executive Officer

EXHIBIT 13.2

Certification by the Principal Financial Officer
Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the Annual Report of Yirendai Ltd. (the "Company") on Form 20-F for the year ended December 31, 2018 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Jia Liu, Co-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: April 29, 2019

By: /s/ Jia Liu
Name: Jia Liu
Title: Co-Chief Financial Officer

EXHIBIT 15.1

April 29, 2019

Yirendai Ltd.
10/F, Building 9, 91 Jianguo Road
Chaoyang District, Beijing 100022
The 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 Yirendai Ltd.'s annual report on Form 20-F for the year ended December 31, 2018 (the "Annual Report"), which will be filed with the Securities and Exchange Commission (the "SEC") in the month of April 2018, and further consent to the incorporation by reference into the Registration Statements on Form S-8 (No. 333-212056 and No. 333-219404). 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/ Han Kun Law Offices
Han Kun Law Offices

Exhibit 15.2

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in the Registration Statements on Form S-8 (No. 333-212056 and No. 333-219404) of our report dated April 29, 2019, relating to the consolidated financial statements of Yirendai Ltd., its subsidiaries and variable interest entities, (which report expresses an unqualified opinion and includes two explanatory paragraphs regarding the convenience translation of Renminbi amounts to U.S. dollar amounts for the convenience of the readers in the United States of America, and the modified retrospective adoption of Accounting Standards Update (ASU) No. 2014-09, Revenue from Contracts with Customers (Topic 606)), appearing in the Annual Report on Form 20-F of Yirendai Ltd. for the year ended December 31, 2018.

/s/ Deloitte Touche Tohmatsu Certified Public Accountants LLP

Beijing, People's Republic of China

April 29, 2019