

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

FORM 20-F

REGISTRATION STATEMENT PURSUANT TO SECTION 12(b) OR (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, 2025

OR

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

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

For the transition period from to

Commission file number: 001-38269

FinVolution Group

(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)

**Building G1, No. 999 Dangui Road
Pudong New District, Shanghai 201203
The People's Republic of China**
(Address of principal executive offices)

**Jiayuan Xu, Chief Financial Officer
Phone: + 86 21 8030 3200
Email: xujiayuan@xinye.com
Building G1, No. 999 Dangui Road
Pudong New District, Shanghai 201203
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	Trading Symbol	Name of each exchange on which registered
American depository shares (one American depository share representing five Class A ordinary shares, par value US\$0.00001 per share)	FINV	New York Stock Exchange
Class A ordinary shares, par value US\$0.00001 per share*		New York Stock Exchange

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

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

Not Applicable
(Title of Class)

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

**Not Applicable
(Title of Class)**

As of December 31, 2025, there were 1,216,442,834 ordinary shares outstanding, consisting of 649,742,834 Class A ordinary shares and 566,700,000 Class B ordinary shares, both with a par value of US\$0.00001 per share.

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

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

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

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

Large accelerated filer

Accelerated filer

Non-accelerated filer

Emerging growth company

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

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

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

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements.

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant’s executive officers during the relevant recovery period pursuant to §240.10D-1(b).

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 Standard Board

Other

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

Item 17 Item 18

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

Yes No

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

Indicate by check mark whether the registrant has filed all documents and reports required to be filed by Sections 12, 13 or 15(d) of the Securities Exchange Act of 1934 subsequent to the distribution of securities under a plan confirmed by a court. Yes No

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INTRODUCTION

Unless otherwise indicated or the context otherwise requires in this annual report on Form 20-F:

- “ADSs” refer to our American depositary shares, each of which represents five Class A 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;
- “outstanding loan balance” as of a given date refers to, in the case of the China market, the balance of outstanding loans facilitated on our platform in China excluding loans delinquent for more than 180 days from such date, and in the case of the overseas markets, the balance of outstanding loans facilitated on our platforms in the overseas markets excluding loans delinquent for more than 30 days from such date;
- “ordinary shares” refer to our Class A and Class B ordinary shares, par value US\$0.00001 per share;
- “overseas markets” refer to our markets outside China;
- “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;
- “we,” “us,” “our company,” “our” and “FinVolution” refer to FinVolution Group, our Cayman Islands holding company, its direct and indirect subsidiaries. Our operations in China are primarily through (i) our PRC subsidiaries, (ii) the consolidated variable interest entities with which we have maintained contractual arrangements, including Beijing Paipairongxin Investment Consulting Co., Ltd., Shanghai Zihe Information Technology Group Co., Ltd., and Shanghai Ledao Technology Co., Ltd., and (iii) the subsidiaries of the consolidated variable interest entities. The consolidated variable interest entities are PRC companies conducting operations in China, and their financial results have been consolidated into our consolidated financial statements in accordance with U.S. GAAP for accounting purposes. Investors are purchasing an interest in FinVolution Group, a Cayman Islands holding company with no operations of its own. FinVolution Group does not have any equity ownership in the consolidated variable interest entities; and
- “WFOEs” refer to Shanghai Guangjian Information Technology Co., Ltd. and Shanghai Manyin Information Technology Co., Ltd., our wholly owned subsidiaries in China.

Our reporting currency is the Renminbi because the majority of our revenues are denominated in Renminbi. This annual report contains translations of Renminbi amounts into U.S. dollars at specific rates solely for the convenience of the reader. Unless otherwise noted, all translations from Renminbi to U.S. dollars and from U.S. dollars to Renminbi in this annual report were made at RMB6.9931 to US\$1.00, the noon buying rate on December 31, 2025 set forth in the H.10 statistical release of the U.S. Federal Reserve Board. We make no representation that any Renminbi or U.S. dollar amounts could have been, or could be, converted into U.S. dollars or Renminbi, as the case may be, at any particular rate, the rates stated below, or at all. The PRC government imposes control over its foreign currency reserves in part through direct regulation of the conversion of Renminbi into foreign exchange and through restrictions on foreign trade. On April 17, 2026, the noon buying rate set forth in the H.10 statistical release of the Federal Reserve Board was RMB6.8170 to US\$1.00.

FORWARD-LOOKING STATEMENTS

This annual report on Form 20-F contains forward-looking statements that reflect our current expectations and views of future events. Known and unknown risks, uncertainties and other factors, including those listed under “Item 3. Key Information—D. Risk Factors,” may cause our actual results, performance or achievements to be materially different from those expressed or implied by the forward-looking statements. These statements are made under the “safe harbor” provisions of the U.S. Private Securities Litigations Reform Act of 1995.

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

- our mission and strategies;
- our future business development, financial condition and results of operations;
- the expected growth of the online consumer finance platform market;
- our expectations regarding demand for and market acceptance of our products and services;
- our expectations regarding our relationships with institutional funding partners and borrowers;
- competition in our industry;
- general economic and business condition in the markets where we have operations; and
- government policies and regulations relating to our industry.

You should read this annual report and the documents that we refer to in this annual report with the understanding that our actual future results may be materially different from and worse than what we expect. Other sections of this annual report include additional factors which could adversely impact our business and financial performance. Moreover, we operate in an evolving environment. New risk factors and uncertainties emerge from time to time and it is not possible for our management to predict all risk factors and uncertainties, 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 materially from those contained in any forward-looking statements. We qualify all of our forward-looking statements by these cautionary statements.

PART I

ITEM 1. IDENTITY OF DIRECTORS, SENIOR MANAGEMENT AND ADVISERS

Not applicable.

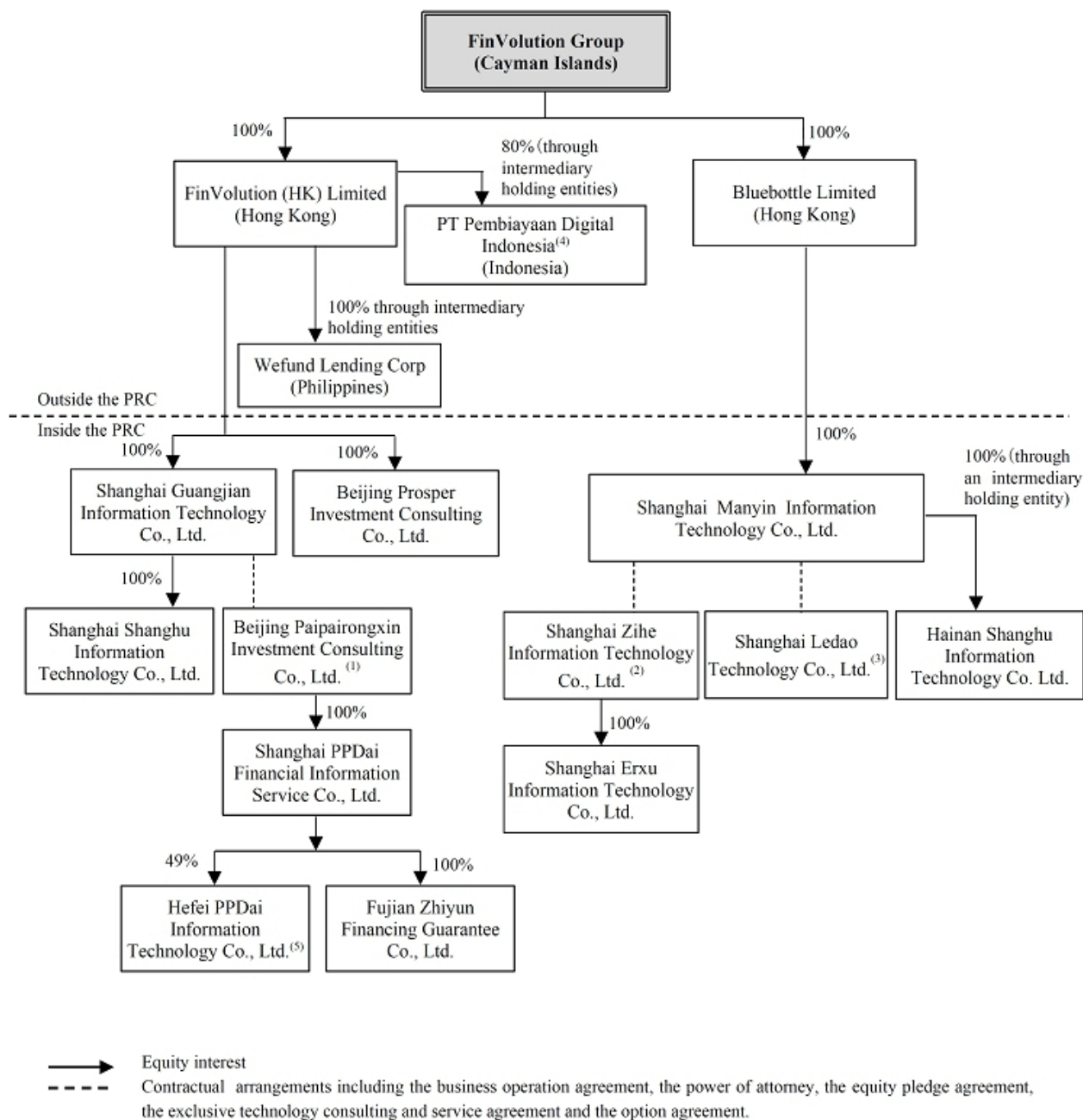
ITEM 2. OFFER STATISTICS AND EXPECTED TIMETABLE

Not applicable.

ITEM 3. KEY INFORMATION

Our Holding Company Structure and Contractual Arrangements with the Consolidated Variable Interest Entities

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



Notes:

(1) Beijing Paipairongxin currently has four shareholders: Jun Zhang, our co-founder and director, Tiezheng Li, our co-founder, vice chairman and chief executive officer, Honghui Hu, our co-founder and director, and Shaofeng Gu, our co-founder, chairman and chief innovation officer, each holding 13.22%, 4.81%, 12.85%, and 69.12% of Beijing Paipairongxin's equity interests, respectively.

(2) Shanghai Zihe currently has four shareholders: Jun Zhang, our co-founder and director, Tiezheng Li, our co-founder, vice chairman and chief executive officer, Honghui Hu, our co-founder and director, Shaofeng Gu, our co-founder, chairman and chief innovation officer, each holding 25% of Shanghai Zihe's equity

- (3) Shanghai Ledao currently has two shareholders: Lizhong Chen, a family relative of Tiezheng Li, and Yejun Jiang, a family relative of Honghui Hu, each holding 50% of Shanghai Ledao's equity interests, respectively.
- (4) The remaining 20% equity interest is held by an unrelated third party.
- (5) The remaining 51% equity interest is held by our company through an intermediate entity.

FinVolution Group is not an operating company in China but a Cayman Islands holding company with no equity ownership in the consolidated variable interest entities. Our operations in China are primarily through (i) our PRC subsidiaries, (ii) the consolidated variable interest entities with which we have maintained contractual arrangements, and (iii) the subsidiaries of the consolidated variable interest entities. PRC laws and regulations restrict and impose conditions on foreign investment in value-added telecommunications services business, such as the internet content provision services and online data processing and transaction processing services. Accordingly, we operate these businesses in China through the consolidated variable interest entities and their respective subsidiaries, and rely on contractual arrangements among our PRC subsidiaries, the consolidated variable interest entities and their respective shareholders to direct the activities of operation of the consolidated variable interest entities and their respective subsidiaries. This structure provides investors with exposure to foreign investment in China-based companies where PRC laws and regulations prohibit or restrict direct foreign investment in operating companies in certain sectors. Revenues contributed by the consolidated variable interest entities and their respective subsidiaries accounted for 78.6%, 75.0% and 71.1% of our total revenues for 2023, 2024 and 2025, respectively. As used in this annual report, "we," "us," "our company" and "our" refer to FinVolution Group, its subsidiaries, and, in the context of describing our operations in China and consolidated financial information, the consolidated variable interest entities and their respective subsidiaries in China, including but not limited to (i) Beijing Paipairongxin Investment Consulting Co., Ltd., or Beijing Paipairongxin, which was established in June 2012; (ii) Shanghai PPDai Financial Information Service Co., Ltd., or Shanghai PPDai, a subsidiary of Beijing Paipairongxin, which was established in January 2011 and operates our *ppdai.com* website and *PPDai* mobile application; (iii) Hefei PPDai Information Technology Co., Ltd., a subsidiary of Shanghai PPDai and Beijing Paipairongxin, which was established in December 2016 and holds the value-added telecommunication business operation license for operation of call center services; (iv) Shanghai Erxu Information Technology Co., Ltd., or Shanghai Erxu, a subsidiary of Shanghai Zihe, which was established in April 2018 and primarily focuses on partnering with our other subsidiaries to introduce borrowers to institutional funding partners and match transactions; and (v) Fujian Zhiyun Financing Guarantee Co. Ltd., or Fujian Zhiyun, a subsidiary of Shanghai PPDai, which was established in November 2019 and holds the Financing Guarantee License. The consolidated variable interest entities are PRC companies conducting operations in China, and their financial results have been consolidated into our consolidated financial statements under U.S. GAAP for accounting purposes. Holders of our ADSs hold equity interest in FinVolution Group, our Cayman Islands holding company, and do not and may never have direct or indirect equity interest in the consolidated variable interest entities and their subsidiaries.

A series of contractual agreements, including loan agreements, business operation agreement, power of attorney, equity pledge agreement, exclusive technology consulting and service agreement and call option agreement, have been entered into by and among our subsidiaries, the consolidated variable interest entities and their respective shareholders. Terms contained in each set of contractual arrangements with the consolidated variable interest entities and their respective shareholders are substantially similar. The contractual arrangements enable us to direct the activities of operation that most significantly impact the economic performance of the consolidated variable interest entities and provide us with economic benefits of the consolidated variable interest entities and as such we are the primary beneficiary of these companies, and we have consolidated the financial results of these companies in our consolidated financial statements. For more details of these contractual arrangements, see "Item 4. Information on the Company—C. Organizational Structure—Contractual Arrangements."

However, the contractual arrangements may not be as effective as equity ownership in providing us with control over the consolidated variable interest entities and we may incur substantial costs to enforce the terms of the arrangements. In addition, these agreements have not been tested in China courts. See "Item 3. Key Information—D. Risk Factors—Risks Related to Our Corporate Structure—We rely on contractual arrangements with the consolidated variable interest entities for a significant portion of our business operations, and such contractual arrangements may not be as effective as equity ownership in providing operational control" and "—The shareholders of the consolidated variable interest entities may have potential conflicts of interest with us, which may materially and adversely affect our business and financial condition."

There are also substantial uncertainties regarding the interpretation and application of current and future PRC laws, regulations and rules regarding the status of the rights of our Cayman Islands holding company with respect to its contractual arrangements with the consolidated variable interest entities and their shareholders. It is uncertain whether any new PRC laws or regulations relating to consolidated variable interest entity structures will be adopted or if adopted, what they would provide. If we or any of the consolidated variable interest entities is found to be in violation of any existing or future PRC laws or regulations, or fail to obtain or maintain any of the required permits or approvals, the PRC regulatory authorities would have broad discretion to take action in dealing with such violations or failures. See “Item 3. Key Information—D. Risk Factors—Risks Related to Our Corporate Structure—If the PRC government deems that the contractual arrangements regarding the 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.”

Our corporate structure is subject to risks associated with our contractual arrangements with the consolidated variable interest entities. If the PRC government deems that our contractual arrangements with the 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 or are interpreted differently in the future, we could be subject to severe penalties or be forced to relinquish our interests in those operations. Our holding company, our PRC subsidiaries, the consolidated variable interest entities and their respective subsidiaries, and investors of our company face uncertainty about potential future actions by the PRC government that could affect the enforceability of the contractual arrangements with the consolidated variable interest entities and, consequently, significantly affect the financial performance of the consolidated variable interest entities and our company as a whole. The PRC regulatory authorities could disallow the contractual arrangements structure, which would likely result in a material change in our operations and cause the value of our securities to significantly decline or become worthless. For a detailed description of the risks associated with our corporate structure, please refer to risks disclosed under “Item 3. Key Information—D. Risk Factors—Risks Related to Our Corporate Structure.”

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

PRC government’s significant authority in regulating our operations and its oversight and control over offerings conducted overseas by, and foreign investment in, China-based issuers could significantly limit or completely hinder our ability to offer or continue to offer securities to investors. Implementation of industry-wide regulations, including data security related regulations, in this nature may cause the value of such securities to significantly decline. For more details, see “Item 3. Key Information—D. Risk Factors—Risks Related to Doing Business in China—The PRC government’s significant oversight and discretion over our business operation could result in a material adverse change in our operations and the value of our ADSs.”

Risks and uncertainties arising from the legal system in China, including risks and uncertainties regarding the enforcement of laws and quickly evolving rules and regulations in China, could result in a material adverse change in our operations and the value of our ADSs. For more details, see “Item 3. Key Information—D. Risk Factors—Risks Related to Doing Business in China—Uncertainties in the interpretation and enforcement of PRC laws and regulations could limit the legal protections available to us” and “—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 Holding Foreign Companies Accountable Act

Pursuant to the Holding Foreign Companies Accountable Act, or the HFCA Act, if the SEC determines that we have filed audit reports issued by a registered public accounting firm that has not been subject to inspections by the PCAOB for two consecutive years, the SEC will prohibit our shares or the ADSs from being traded on a national securities exchange or in the over-the-counter trading market in the United States. On December 16, 2021, the PCAOB issued a report to notify the SEC of its determination that the PCAOB was unable to inspect or investigate completely registered public accounting firms headquartered in mainland China and Hong Kong, including our auditor.

In May 2022, the SEC conclusively listed us as a Commission-Identified Issuer under the HFCA Act following the filing of our annual report on Form 20-F for the fiscal year ended December 31, 2021. On December 15, 2022, the PCAOB issued a report that vacated its December 16, 2021 determination and removed mainland China and Hong Kong from the list of jurisdictions where it is unable to inspect or investigate completely registered public accounting firms. As of the date of this annual report, the PCAOB has not issued any new determination that it is unable to inspect or investigate completely registered public accounting firms headquartered in any jurisdiction. For this reason, we do not expect to be identified as a Commission-Identified Issuer under the HFCA Act after we file this annual report on Form 20-F.

Each year, the PCAOB will determine whether it can inspect and investigate completely audit firms in mainland China and Hong Kong, among other jurisdictions. If PCAOB determines in the future that it no longer has full access to inspect and investigate completely accounting firms in mainland China and Hong Kong and we continue to use an accounting firm headquartered in one of these jurisdictions to issue an audit report on our financial statements filed with the SEC, we would be identified as a Commission-Identified Issuer following the filing of the annual report on Form 20-F for the relevant fiscal year. There can be no assurance that we would not be identified as a Commission-Identified Issuer for any future fiscal year, and if we were so identified for two consecutive years, we would become subject to the prohibition on trading under the HFCA Act. See “Item 3. Key Information—D. Risk Factors—Risks Related to Doing Business in China—The PCAOB had historically been unable to inspect our auditor in relation to their audit work performed for our financial statements and the inability of the PCAOB to conduct inspections of our auditor in the past has deprived our investors with the benefits of such inspections” and “—Our ADSs may be prohibited from trading in the United States under the HFCA Act in the future if the PCAOB is unable to inspect or investigate completely auditors located in China. The delisting of the ADSs, or the threat of their being delisted, may materially and adversely affect the value of your investment.”

Permissions Required from the PRC Authorities for Our Operations

Our operations in China are governed by PRC laws and regulations. As of the date of this annual report, our PRC subsidiaries and the consolidated variable interest entities and their respective subsidiaries have obtained the requisite licenses and permits from the PRC government authorities that are material for the business operations of our holding company and the consolidated variable interest entities in China, except that Shanghai PPDai has not obtained the requisite value-added telecommunication business operation license. Due to the lack of regulatory authorities’ final interpretation of the applicable laws, there still exists uncertainties on which category of value-added telecommunication business operation license that may be applicable to Shanghai PPDai as the operator of our *ppdai.com* website and *PPDai* mobile application, and therefore Shanghai PPDai has not obtained any value-added telecommunication business operation license. We cannot rule out the possibility that Shanghai PPDai may be deemed by certain regulatory authorities as operating our *ppdai.com* website and *PPDai* mobile application without an appropriate value-added telecommunication business operation license, and we may be subject to regulatory penalties, including, but not limited to, rectification orders and warnings, fines, confiscation of illegal gains, and suspension or termination of operating of our website and mobile application.

In addition, given the rapid evolving of the online consumer finance industry and the uncertainties of interpretation and implementation of applicable laws and regulations and the enforcement practice by government authorities, we may be required to obtain additional licenses, permits, filings or approvals for the functions and services of our platforms in the future. For example, when facilitating the connection of borrowers to our institutional funding partners to match transactions, Shanghai Erxu, in partnership with our other subsidiaries, also provides borrower information and preliminary credit assessment services for the referred borrowers. If regulatory authorities categorize these services as credit reference business or information provision activities, we may be requested to obtain a license for individual credit reference business and comply with other requirements. If we cannot obtain the regulatory requisite license in a timely manner and comply with other requirements, we may be deemed as violating the laws and regulations relating to credit reference services and subject to regulatory penalties, including cessation of business operations, confiscation of illegal gains, fines from RMB50,000 to RMB500,000, and even criminal liability. If we, our subsidiaries, the consolidated variable interest entities or their subsidiaries do not receive or maintain any necessary permissions or approvals from PRC authorities to operate business or offer securities, or if we are required to obtain additional permissions or approvals in the future due to changes of laws, regulations or interpretations, we cannot assure you that we will be able to obtain the necessary permissions or approvals in a timely manner, or at all. Any such circumstance could subject us to penalties, including fines, injunctions, suspension of business and revocation of required licenses, significantly limit or completely hinder our ability to continue to offer securities to investors, and cause the value of such securities to significantly decline or become worthless. For more detailed information, see “Item 3. Key Information—D. Risk Factors—Risks Related to Our Business—The laws and regulations governing online consumer finance industry in China are developing and evolving and subject to changes. If our business practices are deemed to violate any existing and future applicable laws, regulations or requirements of local regulatory authorities, our business, financial condition and results of operations would be materially and adversely affected.”

As advised by Hui Ye Law Firm, our PRC counsel, in connection with our historical initial public offering of securities to foreign investors, under current PRC laws, regulations and regulatory rules, as of the date of this annual report, we, our PRC subsidiaries and the consolidated variable interest entities, (i) are not required to obtain permissions from the China Securities Regulatory Commission, or the CSRC, (ii) are not required to go through cybersecurity review by the Cyberspace Administration of China, and (iii) have not received or were denied such requisite permissions by any PRC authority. However, if the PRC governmental authorities determine that our business may affect national security, they may initiate cybersecurity review against us. For more detailed information, see “Item 3. Key Information—D. Risk Factors—Risks Related to Our Business—Any failure to comply with existing or future laws and regulations related to data protection, data security, cybersecurity or personal information protection could lead to liabilities, administrative penalties or other regulatory actions, which could negatively affect our operating results and business.”

The PRC government has promulgated certain regulations and rules to exert more oversight and control over offerings that are conducted overseas or foreign investment in China-based issuers. On February 17, 2023, the CSRC published the Trial Administrative Measures on the Overseas Issuance and Listing of Securities by Domestic Companies and five supporting guidelines, which are collectively known as the CSRC Filing Measures, effective on March 31, 2023. Pursuant to the CSRC Filing Measures, domestic companies in the PRC that directly or indirectly offer or list their securities in an overseas market are required to file with the CSRC. In addition, an overseas listed company must also submit the filing with respect to its follow-on offerings, issuance of convertible corporate bonds and exchangeable bonds, and other equivalent offering activities, within a specific time frame requested under the CSRC Filing Measures. Therefore, we will be required to file with the CSRC for our overseas offering of equity and equity linked securities in the future within the applicable scope of the CSRC Filing Measures. For more detailed information, see “Item 3. Key Information—D. Risk Factors—Risks Related to Doing Business in China—The approval of and filing with the CSRC or other PRC government authorities may be required in connection with our offshore offerings under PRC law, and, if required, we cannot predict whether or for how long we will be able to obtain such approval or complete such filing.”

Enforceability of Civil Liabilities

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

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

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

- the Cayman Islands has a less developed body of securities laws as compared to the United States and these securities laws provide significantly less protection to investors as compared to the United States; and
- with respect to Cayman Islands companies, plaintiffs may face special obstacles, including but not limited to those relating to jurisdiction and standing, in attempting to assert derivative claims in state or federal courts of the United States.

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

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

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

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

We have been advised by our Cayman Islands legal counsel, Maples and Calder (Hong Kong) LLP, that the courts of the Cayman Islands are unlikely (i) to recognize or enforce against us judgments of courts of the United States predicated upon the civil liability provisions of the securities laws of the United States or any State; and (ii) in original actions brought in the Cayman Islands, to impose liabilities against us predicated upon the civil liability provisions of the securities laws of the United States or any State, so far as the liabilities imposed by those provisions are penal in nature. In those circumstances, although there is no statutory enforcement in the Cayman Islands of judgments obtained in the United States, the courts of the Cayman Islands will recognize and enforce a foreign money judgment of a foreign court of competent jurisdiction without retrial on the merits based on the principle that a judgment of a competent foreign court imposes upon the judgment debtor an obligation to pay the sum for which judgment has been given provided certain conditions are met. For such a foreign judgment to be enforced in the Cayman Islands, such judgment must be final and conclusive and for a liquidated sum, and may not be in respect of taxes or a fine or penalty, inconsistent with a Cayman Islands judgment in respect of the same matter, impeachable on the grounds of fraud or obtained in a manner, and or be of a kind the enforcement of which is, contrary to natural justice or the public policy of the Cayman Islands (awards of punitive or multiple damages may well be held to be contrary to public policy). A Cayman Islands Court may stay enforcement proceedings if concurrent proceedings are being brought elsewhere.

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

Cash and Asset Flows Through Our Organization

FinVolution Group is a holding company with no operations of its own. Our operations in China are primarily through our subsidiaries and the consolidated variable interest entities and their respective subsidiaries in China. As a result, although other means are available for us to obtain financing at the holding company level, FinVolution Group's ability to continue paying dividends to the shareholders and investors of the ADSs and to service any debt it may incur may depend upon dividends paid by our PRC subsidiaries and service fees paid by the consolidated variable interest entities in China. If any of our PRC subsidiaries or the consolidated variable interest entities incurs debt on its own behalf in the future, the instruments governing such debt may restrict our PRC subsidiaries' ability to pay dividends to FinVolution Group or the consolidated variable interest entities' ability to pay service fees. In addition, our PRC subsidiaries are permitted to pay dividends to FinVolution Group only out of their retained earnings, if any, as determined in accordance with PRC accounting standards and regulations. Further, our PRC subsidiaries and the consolidated variable interest entities are required to make appropriations to certain statutory reserve funds or may make appropriations to certain discretionary funds, which are not distributable as cash dividends except in the event of a solvent liquidation of the companies. For more details, see "Item 5. Operating and Financial Review and Prospects—Liquidity and Capital Resources—Holding Company Structure."

Under PRC laws and regulations, our PRC subsidiaries and the consolidated variable interest entities are subject to certain restrictions with respect to paying dividends or otherwise transferring any of their net assets to us. Remittance of dividends by a wholly foreign-owned enterprise out of China is also subject to examination by the banks designated by the State Administration of Foreign Exchange, or SAFE. The amounts restricted include the paid-up capital and the statutory reserve funds of our PRC subsidiaries and the net assets of the consolidated variable interest entities in which we have no legal ownership, totaling RMB7.9 billion, RMB8.6 billion and RMB9.3 billion (US\$1.3 billion) as of December 31, 2023, 2024 and 2025, respectively. Furthermore, cash transfers from our PRC subsidiaries and the consolidated variable interest entities to entities outside of China are subject to PRC government controls on currency conversion. To the extent cash in our business is in the PRC or a PRC entity, such cash may not be available to fund operations or for other use outside of the PRC due to restrictions and limitations imposed by the governmental authorities on the ability of us, our subsidiaries, or the consolidated variable interest entities to transfer cash outside of the PRC. Shortages in the availability of foreign currency may temporarily delay the ability of our PRC subsidiaries and the consolidated variable interest entities to remit sufficient foreign currency to pay dividends or other payments to us, or otherwise satisfy their foreign currency denominated obligations. In view of the foregoing, to the extent cash in our business is held in China or by a PRC entity, such cash may not be available to fund operations or for other use outside of the PRC. For risks relating to the fund flows of our operations in China, see "Item 3. Key Information—D. Risk Factors—Risks Related to Doing Business in China—We may 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 and adverse effect on our ability to conduct our business" and "—Governmental control of currency conversion may limit our ability to utilize our net revenues effectively and affect the price of our ADSs."

For the years ended December 31, 2023, 2024 and 2025, no dividends or distributions were made to FinVolution Group, the parent company, by our subsidiaries.

Under PRC law, FinVolution Group may provide funding to our PRC subsidiaries only through capital contributions or loans, and to our PRC consolidated variable interest entities only through loans, subject to satisfaction of applicable government registration and approval requirements.

As of December 31, 2025, FinVolution Group, the parent company, had made cumulative capital contribution of RMB1,291.4 million (US\$184.7 million) to our PRC subsidiaries through intermediate holding companies.

The consolidated variable interest entities may transfer cash to the corresponding PRC subsidiaries by paying service fees according to the restated exclusive technology consulting and service agreement or the exclusive technology consulting and service framework agreements, as applicable. Pursuant to these agreements between each of the consolidated variable interest entities and its corresponding PRC subsidiary, each of the consolidated variable interest entities agrees to pay the corresponding PRC subsidiary for technology consulting and service at an amount as determined on a case-by-case basis based on the content of technology consulting and service, level of difficulty and complexity, time spend by the corresponding PRC subsidiary and its employees, the commercial value of the technology consulting and service to be provided by the corresponding PRC subsidiary, and the revenue the consolidated variable interest entity generates due to the technology consulting and service provided by the corresponding PRC subsidiary. For the years ended December 31, 2023, 2024 and 2025, the service fees paid by the consolidated variable interest entities to the PRC subsidiaries through technical development service arrangements and technical support service arrangements were RMB2,132.2 million, RMB829.0 million and RMB3,335.1 million (US\$476.9 million), respectively. If there is any amount payable to corresponding PRC subsidiaries under the contractual arrangements, the consolidated variable interest entities will settle the amount accordingly.

The following is a summary of cash transfers that have occurred between our subsidiaries and the consolidated variable interest entities:

	For the Year Ended December 31,		
	2023	2024	2025
	(RMB in thousands)		
Cash paid by the consolidated variable interest entities to our subsidiaries under service agreements ⁽¹⁾	(2,132,263)	(828,977)	(3,335,129)
Cash received by the consolidated variable interest entities from our subsidiaries under service agreements ⁽²⁾	555,623	599,941	438,607
Capital contribution by the consolidated variable interest entities to our subsidiaries for intra-group investing ⁽³⁾	—	—	—
Cash flow of loans provided by the consolidated variable interest entities to our subsidiaries, net of repayment received, for intra-group investing ⁽⁴⁾	(285,665)	12,273	641,833
Cash flow of loans received by the consolidated variable interest entities from our subsidiaries, net of repayment made, for intra-group financing ⁽⁵⁾	(310,500)	(78,696)	1,757,933

Notes:

- (1) Represents the “cash used in operating activities under service agreements for group companies” line item of the consolidated variable interest entities and their subsidiaries under the condensed consolidating schedule of cash flow data, which represents the cash paid by the consolidated variable interest entities for intercompany services, including technical development services and technical support services.
- (2) Represents the “cash provided by operating activities under service agreements for group companies” line item of the consolidated variable interest entities and their subsidiaries under the condensed consolidating schedule of cash flow data, which represents the cash received by the consolidated variable interest entities for intercompany services, including technical development services and technical support services.
- (3) Represents the “capital contribution to group companies” line item of the consolidated variable interest entities and their subsidiaries under the condensed consolidating schedule of cash flow data, which represents the capital contribution by the consolidated variable interest entities to group companies.
- (4) Represents the “net cash (used in) provided by intra-group investing activities” line item of the consolidated variable interest entities and their subsidiaries under the condensed consolidating schedule of cash flow data, which represents cash paid as loans by the consolidated variable interest entities to group companies, net of repayments received.
- (5) Represents the “net cash (used in) provided by intra-group financing activities” line item of the consolidated variable interest entities and their subsidiaries under the condensed consolidating schedule of cash flow data, which represents cash received as loans by the consolidated variable interest entities from group companies, net of repayments made.

For the years ended December 31, 2023, 2024 and 2025, except as disclosed above, no transfers of other assets, dividends or distributions were made between the holding company, our subsidiaries, and consolidated variable interest entities.

Our board of directors declared dividends in every March from 2019 to 2026. In addition, in March 2025, our board of directors approved a revised annual cash dividend policy, under which we will declare and distribute a recurring cash dividend of between 20% and 30% of the Company’s net income after tax from the previous fiscal year going forward. See “Item 8. Financial Information—A. Consolidated Statements and Other Financial Information—Dividend Policy.” For PRC and U.S. federal income tax considerations of an investment in our ADSs, see “Item 10. Additional Information—E. Taxation.” For the years ended December 31, 2023, 2024 and 2025, dividends made to U.S. investors were RMB416.5 million, RMB441.3 million and RMB510.2 million (US\$73.0 million).

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

	<u>Taxation Scenario⁽ⁱ⁾</u> <u>Statutory Tax and</u> <u>Standard Rates</u>
Hypothetical pre-tax earnings ⁽ⁱⁱ⁾	100%
Tax on earnings at statutory rate of 25% ⁽ⁱⁱⁱ⁾	(25)%
Net earnings available for distribution	75%
Withholding tax at standard rate of 10% ^(iv)	(7.5)%
Net distribution to parent/shareholders	67.5%

Notes:

- (i) For purposes of this example, the tax calculation has been simplified. The hypothetical book pre-tax earnings amount, not considering timing differences, is assumed to equal taxable income in China.
- (ii) Under the terms of contractual arrangements, our PRC subsidiaries may charge the consolidated variable interest entities for services provided to the consolidated variable interest entities. These fees shall be recognized as expenses of the consolidated variable interest entities, with a corresponding amount as service income by our PRC subsidiaries and eliminate in consolidation. For income tax purposes, our PRC subsidiaries and the consolidated variable interest entities file income tax returns on a separate company basis. The fees paid are recognized as a tax deduction by the consolidated variable interest entities and as income by our PRC subsidiaries and are tax neutral.
- (iii) Certain of our PRC subsidiaries and the consolidated variable interest entities qualifies for a 15% preferential income tax rate in China. However, such rate is subject to qualification, is temporary in nature, and may not be available in a future period when distributions are paid. For purposes of this hypothetical example, the table above reflects a maximum tax scenario under which the full statutory rate would be effective.
- (iv) The Enterprise Income Tax Law of the PRC imposes a withholding income tax of 10% on dividends distributed by a foreign invested enterprise to its immediate holding company outside of China. A lower withholding income tax rate of 5% is applied if the foreign invested enterprise's immediate holding company is registered in Hong Kong or other jurisdictions that have a tax treaty arrangement with China, subject to a qualification review at the time of the distribution. For purposes of this hypothetical example, the table above assumes a maximum tax scenario under which the full withholding tax would be applied.

The table above has been prepared under the assumption that all profits of the consolidated variable interest entities will be distributed as fees to our PRC subsidiaries under tax neutral contractual arrangements. If, in the future, the accumulated earnings of the consolidated variable interest entities exceed the fees paid to our PRC subsidiaries (or if the current and contemplated fee structure between the intercompany entities is determined to be non-substantive and disallowed by Chinese tax authorities), the consolidated variable interest entities could, as a matter of last resort, make a non-deductible transfer to our PRC subsidiaries for the amounts of the stranded cash in the consolidated variable interest entities. This would result in such transfer being non-deductible expenses for the consolidated variable interest entities but still taxable income for the PRC subsidiaries. Such a transfer and the related tax burdens would reduce our after-tax income to approximately 50.6% of the pre-tax income. Our management believes that there is only a remote possibility that this scenario would happen.

Financial Information Related to the Consolidated Variable Interest Entities

The following table presents the condensed consolidating schedule of financial position for the consolidated variable interest entities and other entities as of the dates presented.

Condensed Consolidating Statements of Income Information

For the Year Ended December 31, 2025						
FinVolution Group	Company Subsidiaries	Primary Beneficiary of Consolidated Variable Interest Entities	Consolidated Variable Interest Entities and Their Subsidiaries	Eliminations	Consolidated Total	
(RMB in thousands)						
Third-party revenues	—	3,919,868	2,734	9,646,881	—	13,569,483
Group company revenues ⁽¹⁾	—	3,010,303	8,251	584,994	(3,603,548)	—
Net revenues	—	6,930,171	10,985	10,231,875	(3,603,548)	13,569,483
Third-party expenses	(12,708)	(1,683,697)	(11,688)	(4,341,436)	—	(6,049,529)
Group company expenses ⁽¹⁾	—	(592,371)	(112)	(3,011,047)	3,603,530	—
Related party expenses	—	—	—	(29,928)	—	(29,928)
Provision for accounts receivable and contract assets	—	(278,434)	—	(147,532)	—	(425,966)
Provision for loans receivable	—	(392,491)	794	(246,003)	—	(637,700)
Credit losses for quality assurance commitment	—	(1,480,516)	—	(1,981,868)	—	(3,462,384)
Impairment of goodwill, and intangible assets	—	(50,411)	—	(265)	—	(50,676)
Total operating expenses	(12,708)	(4,477,920)	(11,006)	(9,758,079)	3,603,530	(10,656,183)
Income (loss) from subsidiaries ⁽²⁾	2,553,551	392,170	3,530,761	24	(6,476,506)	—
Loss of the consolidated variable interest entities	—	—	388,405	-	(388,405)	—
Income from operations	2,540,843	2,844,421	3,919,145	473,820	(6,864,929)	2,913,300
Net interest expense and other income	1,562	84,753	5,393	96,419	18	188,145
Profit before income tax expenses	2,542,405	2,929,174	3,924,538	570,239	(6,864,911)	3,101,445
Income tax expenses	—	(392,748)	(1,607)	(161,888)	—	(556,243)
Net profit	2,542,405	2,536,426	3,922,931	408,351	(6,864,911)	2,545,202
Net profit attributable to non-controlling interest shareholders	—	17,125	—	(19,946)	24	(2,797)
Net profit attributable to FinVolution Group's ordinary shareholders	2,542,405	2,553,551	3,922,931	388,405	(6,864,887)	2,542,405

Condensed Consolidating Statements of Income Information

For the Year Ended December 31, 2024						
FinVolution Group	Company Subsidiaries	Primary Beneficiary of Consolidated Variable Interest Entities	Consolidated Variable Interest Entities and Their Subsidiaries	Eliminations	Consolidated Total	
(RMB in thousands)						
Third-party revenues	—	3,265,730	4,062	9,796,032	—	13,065,824
Group company revenues ⁽¹⁾	—	2,413,822	14,071	391,348	(2,819,241)	—
Net revenues	—	5,679,552	18,133	10,187,380	(2,819,241)	13,065,824
Third-party expenses	(11,636)	(1,503,781)	(13,343)	(3,777,621)	—	(5,306,381)
Group company expenses ⁽¹⁾	—	(405,533)	(112)	(2,414,323)	2,819,968	—
Related party expenses	—	—	—	—	—	—
Provision for accounts receivable and contract assets	—	(179,728)	—	(137,321)	—	(317,049)
Provision for loans receivable	—	(282,357)	1,167	(38,823)	—	(320,013)
Credit losses for quality assurance commitment	—	(1,002,300)	—	(3,584,954)	—	(4,587,254)
Total operating expenses	(11,636)	(3,373,699)	(12,288)	(9,953,042)	2,819,968	(10,530,697)
Income (loss) from subsidiaries ⁽²⁾	2,382,621	351,993	1,784,730	6,099	(4,525,443)	—
Loss of the consolidated variable interest entities	—	—	348,886	—	(348,886)	—
Income from operations	2,370,985	2,657,846	2,139,461	240,437	(4,873,602)	2,535,127
Other income, net	12,161	87,751	1,624	197,116	11,471	310,123
Profit before income tax expenses	2,383,146	2,745,597	2,141,085	437,553	(4,862,131)	2,845,250
Income tax expenses	—	(364,376)	(4,362)	(88,667)	—	(457,405)
Net profit	2,383,146	2,381,221	2,136,723	348,886	(4,862,131)	2,387,845
Net profit attributable to non-controlling interest shareholders	—	1,400	—	—	(6,099)	(4,699)
Net profit attributable to FinVolution Group's ordinary shareholders	2,383,146	2,382,621	2,136,723	348,886	(4,868,230)	2,383,146

Condensed Consolidating Statements of Income Information

For the Year Ended December 31, 2023

	FinVolution Group	Company Subsidiaries	Primary Beneficiary of Consolidated Variable Interest Entities	Consolidated Variable Interest Entities and Their Subsidiaries	Eliminations	Consolidated Total
	(RMB in thousands)					
Third-party revenues	—	2,685,155	2,751	9,859,539	—	12,547,445
Group company revenues ⁽¹⁾	—	3,542,003	16,158	498,189	(4,056,350)	—
Net revenues	—	6,227,158	18,909	10,357,728	(4,056,350)	12,547,445
Third-party expenses	(19,446)	(1,226,081)	(21,154)	(3,633,284)	—	(4,899,965)
Group company expenses ⁽¹⁾	—	(516,395)	(2,927)	(3,542,004)	4,061,326	—
Related party expenses	—	—	—	—	—	—
Provision for accounts receivable and contract assets	—	(175,800)	—	(78,148)	—	(253,948)
Provision for loans receivable	—	(557,338)	889	(30,394)	—	(586,843)
Credit losses for quality assurance commitment	—	(865,628)	—	(3,557,174)	—	(4,422,802)
Total operating expenses	(19,446)	(3,341,242)	(23,192)	(10,841,004)	4,061,326	(10,163,558)
Income (loss) from subsidiaries ⁽²⁾	2,325,611	(286,503)	2,858,976	3,719	(4,901,803)	—
Loss of the consolidated variable interest entities	—	—	(282,595)	—	282,595	—
Income from operations	2,306,165	2,599,413	2,572,098	(479,557)	(4,614,232)	2,383,887
Other income, net	34,670	125,117	375	232,074	2,462	394,698
Profit before income tax expenses	2,340,835	2,724,530	2,572,473	(247,483)	(4,611,770)	2,778,585
Income tax expenses	—	(359,988)	—	(35,112)	—	(395,100)
Net profit	2,340,835	2,364,542	2,572,473	(282,595)	(4,611,770)	2,383,485
Net profit attributable to non-controlling interest shareholders	—	(38,931)	—	—	(3,719)	(42,650)
Net profit attributable to FinVolution Group's ordinary shareholders	2,340,835	2,325,611	2,572,473	(282,595)	(4,615,489)	2,340,835

Condensed Consolidating Balance Sheets Information

As of December 31, 2025						
	FinVolution Group	Company Subsidiaries	Primary Beneficiary of Consolidated Variable Interest Entities	Consolidated Variable Interest Entities and Their Subsidiaries	Eliminations	Consolidated Total
(RMB in thousands)						
Cash and cash equivalents	97,932	2,358,477	136,480	1,692,232	—	4,285,121
Restricted cash	—	315,641	—	1,597,209	—	1,912,850
Short-term investments	14,810	1,011,369	70,588	1,918,459	—	3,015,226
Accounts receivable and contract assets	—	402,812	—	1,625,773	—	2,028,585
Quality assurance receivable	—	868,809	—	446,375	—	1,315,184
Property, equipment and software, net	—	160,632	—	480,684	—	641,316
Intangible assets	—	210,979	—	59,267	—	270,246
Loans and receivables, net of credit loss allowance for loans receivables	—	873,862	—	5,597,757	—	6,471,619
Investments	—	217,754	—	924,062	—	1,141,816
Investment in subsidiaries ⁽³⁾	20,458,617	8,168,589	12,628,774	103,510	(41,359,490)	—
Net assets of the consolidated variable interest entities	—	—	6,033,707	—	(6,033,707)	—
Deferred tax assets	—	451,674	346	2,540,051	—	2,992,071
Prepaid expenses and other assets	7,267	317,978	146,619	699,202	—	1,171,066
Amounts due from Group companies ⁽⁴⁾	950,887	11,820,249	2,080,215	2,380,916	(17,232,267)	—
Amounts due from related party	16,355	27	—	20,343	—	36,725
Right of use assets	—	24,252	—	27,768	—	52,020
Goodwill ⁽⁹⁾	—	79,759	—	—	—	79,759
Total assets	21,545,868	27,282,863	21,096,729	20,113,608	(64,625,464)	25,413,604
Deferred guarantee income	—	225,402	—	893,602	—	1,119,004
Liability from quality assurance commitment	—	777,986	—	1,796,856	—	2,574,842
Payroll and welfare payable	—	178,568	2,737	179,883	—	361,188
Taxes payable	—	74,825	58,582	43,657	—	177,064
Short-term borrowings	—	170,408	—	—	—	170,408
Funds payable to investors of consolidated trusts	—	—	—	778,531	—	778,531
Contract liability	—	—	—	226	—	226
Amounts due to Group companies ⁽⁴⁾	3,970,668	4,239,739	58,026	8,963,834	(17,232,267)	—
Amounts due to related party	—	12,891	—	5,809	—	18,700
Deferred tax liabilities	—	547,906	—	238,650	—	786,556
Accrued expenses and other liabilities	5,833	456,420	21	967,257	—	1,429,531
Leasing liabilities	—	18,291	—	26,420	—	44,711
Convertible senior notes	1,019,266	—	—	—	—	1,019,266
Long-term borrowings	—	89,590	—	—	—	89,590
Total liabilities	4,995,767	6,792,026	119,366	13,894,725	(17,232,267)	8,569,617
Total FinVolution Group shareholders' equity ⁽³⁾	16,550,101	20,278,614	20,977,363	6,033,710	(47,289,687)	16,550,101
Non-controlling interest	—	212,223	—	185,173	(103,510)	293,886
Total shareholders' equity	16,550,101	20,490,837	20,977,363	6,218,883	(47,393,197)	16,843,987
Total liabilities and shareholders' equity	21,545,868	27,282,863	21,096,729	20,113,608	(64,625,464)	25,413,604

Condensed Consolidating Balance Sheets Information

As of December 31, 2024						
	FinVolution Group	Company Subsidiaries	Primary Beneficiary of Consolidated Variable Interest Entities	Consolidated Variable Interest Entities and Their Subsidiaries	Eliminations	Consolidated Total
(RMB in thousands)						
Cash and cash equivalents	76,052	2,252,528	972	2,343,220	—	4,672,772
Restricted cash	—	184,635	—	1,889,665	—	2,074,300
Short-term investments	14,566	1,163,969	—	1,653,847	—	2,832,382
Accounts receivable and contract assets	—	298,839	—	2,106,533	—	2,405,372
Quality assurance receivable	—	538,631	—	1,100,960	—	1,639,591
Property, equipment and software, net	—	133,861	—	489,931	—	623,792
Intangible assets	—	88,366	—	48,932	—	137,298
Loans and receivables, net of credit loss allowance for loans receivables	—	657,954	—	3,499,667	—	4,157,621
Investments	—	200,051	—	972,952	—	1,173,003
Investment in subsidiaries ⁽³⁾	17,900,257	6,018,215	11,796,014	113,571	(35,828,057)	—
Net assets of the consolidated variable interest entities	—	—	5,412,470	—	(5,412,470)	—
Deferred tax assets	—	470,853	544	2,042,468	—	2,513,865
Prepaid expenses and other assets	34,812	271,715	149,085	816,569	—	1,272,181
Amounts due from Group companies ⁽⁴⁾	870,209	10,500,894	701,475	2,457,600	(14,530,178)	—
Amounts due from related party	16,726	29	—	952	—	17,707
Right of use assets	—	12,831	—	23,995	—	36,826
Goodwill ⁽⁹⁾	—	50,411	—	—	—	50,411
Total assets	18,912,622	22,843,782	18,060,560	19,560,862	(55,770,705)	23,607,121
Deferred guarantee income	—	232,950	—	1,283,000	—	1,515,950
Liability from quality assurance commitment	—	372,348	—	2,591,768	—	2,964,116
Payroll and welfare payable	—	134,415	2,288	153,686	—	290,389
Taxes payable	—	84,399	60,054	561,475	—	705,928
Short-term borrowings	—	5,594	—	—	—	5,594
Funds payable to investors of consolidated trusts	—	2,402	—	793,720	—	796,122
Contract liability	—	—	—	10,185	—	10,185
Amounts due to Group companies ⁽⁴⁾	3,707,065	3,105,832	183,946	7,533,335	(14,530,178)	—
Amounts due to related party	—	13,184	—	130	—	13,314
Deferred tax liabilities	—	378,609	—	112,604	—	491,213
Accrued expenses and other liabilities	1,493	351,453	43	878,881	—	1,231,870
Leasing liabilities	—	6,092	—	22,673	—	28,765
Total liabilities	3,708,558	4,687,278	246,331	13,941,457	(14,530,178)	8,053,446
Total FinVolution Group shareholders' equity ⁽³⁾	15,204,064	17,900,257	17,814,229	5,412,470	(41,126,956)	15,204,064
Non-controlling interest	—	256,247	—	206,935	(113,571)	349,611
Total shareholders' equity	15,204,064	18,156,504	17,814,229	5,619,405	(41,240,527)	15,553,675
Total liabilities and shareholders' equity	18,912,622	22,843,782	18,060,560	19,560,862	(55,770,705)	23,607,121

Condensed Consolidating Cash Flows Information

For the Year Ended December 31, 2025						
FinVolution Group	Company Subsidiaries	Primary Beneficiary of Consolidated Variable Interest Entities	Consolidated Variable Interest Entities and Their Subsidiaries	Eliminations	Consolidated Total	
(RMB in thousands)						
Cash used in operating activities under service agreements for Group companies ⁽⁵⁾	—	(2,100,890)	(122)	(3,335,129)	5,436,141	—
Cash provided by operating activities under service agreements for Group companies ⁽⁵⁾	—	3,335,129	1,662,405	438,607	(5,436,141)	—
Net cash provided by (used in) operating activities for Third-parties	17,407	137,679	(2,551)	1,715,065	—	1,867,600
Net cash provided by (used in) operating activities	17,407	1,371,918	1,659,732	(1,181,457)	—	1,867,600
Net cash (used in) provided by intra-group investing activities ⁽⁶⁾	(80,679)	(1,644,182)	(1,327,726)	641,833	2,410,754	—
Other investing activities	333	(56,646)	(70,588)	(2,056,796)	—	(2,183,697)
Net cash provided by (used in) investing activities	(80,346)	(1,700,828)	(1,398,314)	(1,414,963)	2,410,754	(2,183,697)
Net cash provided by (used in) intra-group financing activities ⁽⁷⁾	263,602	515,129	(125,910)	1,757,933	(2,410,754)	—
Other financing activities	(222,404)	132,665	—	(104,957)	—	(194,696)
Net cash provided by (used in) financing activities	41,198	647,794	(125,910)	1,652,976	(2,410,754)	(194,696)

Condensed Consolidating Cash Flows Information

For the Year Ended December 31, 2024						
FinVolution Group	Company Subsidiaries	Primary Beneficiary of Consolidated Variable Interest Entities	Consolidated Variable Interest Entities and Their Subsidiaries	Eliminations	Consolidated Total	
(RMB in thousands)						
Cash used in operating activities under service agreements for Group companies ⁽⁵⁾	—	(1,860,495)	(30,653)	(828,977)	2,720,125	—
Cash provided by operating activities under service agreements for Group companies ⁽⁵⁾	—	2,263,688	(143,504)	599,941	(2,720,125)	—
Net cash provided by (used in) operating activities for Third-parties	(14,877)	(321,544)	83,487	3,146,094	—	2,893,160
Net cash provided by (used in) operating activities	(14,877)	81,649	(90,670)	2,917,058	—	2,893,160
Net cash provided by (used in) intra-group investing activities ⁽⁶⁾	237,989	(2,009,711)	10,029	12,273	1,749,420	—
Other investing activities	(14,379)	285,026	—	(2,566,463)	—	(2,295,816)
Net cash provided by (used in) investing activities	223,610	(1,724,685)	10,029	(2,554,190)	1,749,420	(2,295,816)
Net cash provided by (used in) intra-group financing activities ⁽⁷⁾	889,743	860,354	78,019	(78,696)	(1,749,420)	—
Other financing activities	(1,084,539)	121,423	—	340,401	—	(622,715)
Net cash provided by (used in) financing activities	(194,796)	981,777	78,019	261,705	(1,749,420)	(622,715)

Condensed Consolidating Cash Flows Information

For the Year Ended December 31, 2023

	FinVolution Group	Company Subsidiaries	Primary Beneficiary of Consolidated Variable Interest Entities	Consolidated Variable Interest Entities and Their Subsidiaries	Eliminations	Consolidated Total
	(RMB in thousands)					
Cash used in operating activities under service agreements for Group companies ⁽⁵⁾	—	(1,987,993)	(59,897)	(2,132,263)	4,180,153	—
Cash provided by operating activities under service agreements for Group companies ⁽⁵⁾	—	4,111,165	(486,635)	555,623	(4,180,153)	—
Net cash provided by (used in) operating activities for Third-parties	9,545	824,292	(458,067)	985,102	—	1,360,872
Net cash provided by (used in) operating activities	9,545	2,947,464	(1,004,599)	(591,538)	—	1,360,872
Net cash (used in) provided by intra-group investing activities ⁽⁶⁾	(466,649)	(1,992,951)	461,054	(285,665)	2,284,211	—
Other investing activities	—	(167,046)	—	1,579,038	—	1,411,992
Net cash provided by (used in) investing activities	(466,649)	(2,159,997)	461,054	1,293,373	2,284,211	1,411,992
Net cash provided by (used in) intra-group financing activities ⁽⁷⁾	1,417,139	1,287,903	(110,331)	(310,500)	(2,284,211)	—
Other financing activities	(1,110,984)	68,761	—	(1,462,779)	—	(2,505,002)
Net cash provided by (used in) financing activities	306,155	1,356,664	(110,331)	(1,773,279)	(2,284,211)	(2,505,002)

Notes:

(1) Represents the intercompany services eliminated at the consolidation level, including technical development services and technical support services.

- (2) Represents the elimination of the income from investment among FinVolution Group, equity subsidiaries, and primary beneficiary of consolidated variable interest entities.
- (3) Represents the elimination of the investment among FinVolution Group, equity subsidiaries, and primary beneficiary of consolidated variable interest entities.
- (4) Represents the elimination of intercompany balances among FinVolution Group, equity subsidiaries, primary beneficiary of consolidated variable interest entities, consolidated variable interest entities and consolidated variable interest entities' subsidiaries.
- (5) Represents the cash received and cash paid for intercompany services, including technical development services and technical support services.
- (6) Represents the cash paid as loans to group companies, net of repayments received.
- (7) Represents the cash received as loans from group companies, net of repayments made.
- (8) In October 2017, one equity subsidiary and one consolidated variable interest entity subsidiary of FinVolution Group entered into a series of share purchase agreements with shareholders of HB micro lending company. After the transactions, FinVolution Group gained control of HB micro lending company. Goodwill and non-controlling interest were recognized in accordance with Accounting Standards Codification 805, "Business Combinations." In this consolidated variable interest entity's consolidating schedule, HB micro lending company's financial information was recorded under the equity subsidiaries. FinVolution Group applied the equity method to account for its investment in the subsidiary of the consolidated variable interest entity in HB micro lending company, as it can exercise significant influence but does not have control. Total assets for HB micro lending company were RMB321,745 and RMB210,344 as of December 31, 2024 and 2025, respectively. Total liabilities for HB micro lending company were RMB131,662 and RMB20,211 as of December 31, 2024 and 2025, respectively.

Summary of Risk Factors

Investing in our ADSs involves significant risks. You should carefully consider all of the information in this annual report before making an investment in our ADSs. Below please find a summary of the principal risks we face, organized under relevant headings. All the operational risks associated with being based in and having operations in China also apply to our operations in Hong Kong. With respect to the legal risks associated with being based in and having operations in China, we expect the laws, regulations and the discretion of the governmental authorities in China discussed in this annual report to apply to entities and businesses in China, rather than entities or businesses in Hong Kong, which operate under a different set of laws from China.

Risks Related to Our Business

- We generate the majority of our revenues from China's online consumer finance platform market, an emerging and evolving industry, which makes it difficult to evaluate our future prospects.
- The laws and regulations governing online consumer finance industry in China are developing and evolving and subject to changes. If our business practices are deemed to violate any existing and future applicable laws, regulations or requirements of local regulatory authorities, our business, financial condition and results of operations would be materially and adversely affected.
- We have modified our business model and practices in the past as a result of changes in laws, regulations, policies, measures and guidance. We may further change our business model or practices in the future, which may not be successful ultimately.
- Our global operations expose us to a number of risks, such as international geopolitical tensions and events, challenges of localizing our products and services for local markets, the need for increased resources to manage regulatory compliance across different markets, exchange rate fluctuations, among others. For more details, see "Item 3. Key Information—D. Risk Factors—Risks Related to Our Business—Our global operations expose us to a number of risks."
- If we are unable to retain existing borrowers or institutional funding partners or attract new borrowers or institutional funding partners, the volume of loans facilitated through our platforms may not be maintained or increased, which may adversely affect our business and results of operations.
- If our existing and new products and services do not achieve sufficient market acceptance, our financial results and competitive position will be harmed.

- As we continue to develop our business, we may offer new products or services. Development and innovation in our business may expose us to new challenges and risks.
- Our cooperation with institutional funding partners exposes us to regulatory uncertainties and we may be required to obtain additional government approval or license due to our cooperation with institutional funding partners.
- Regulatory restrictions on institutional funding partners' acceptance of credit enhancement may adversely affect our business and access to funding.
- We collaborate with third-party trust management companies to set up trusts. We may be deemed to be an illegal financial institution under such trust arrangement, which may materially and adversely affect our business and financial condition.
- Interest rates of certain of our loan products may exceed the statutory interest rate limit and therefore part of the interests may not be enforceable through the PRC judicial system.
- We operate in markets where the credit infrastructure may still be at an early stage of development.
- We bear credit risks for the majority of the loans funded by institutional funding partners to borrowers we introduced. If we fail to effectively manage credit risk of our loans and our overdue loans increase, our business, financial condition and results of operations may be materially adversely affected.

Risks Related to Our Corporate Structure

- We are a Cayman Islands holding company with no equity ownership in the consolidated variable interest entities, and our operations in China are primarily through (i) our subsidiaries in China, (ii) the consolidated variable interest entities with which we have maintained contractual arrangements, and (iii) the subsidiaries of the consolidated variable interest entities. Holders of our ADSs hold equity interest in FinVolution Group, our Cayman Islands holding company, and do not have direct or indirect equity interest in the consolidated variable interest entities and their subsidiaries. If the PRC government finds that the agreements that establish the structure for operating our business do not comply with PRC laws and regulations, or if these regulations or their interpretations change in the future, we could be subject to severe penalties or be forced to relinquish our interests in those operations. Our holding company, our PRC subsidiaries, the consolidated variable interest entities and their respective subsidiaries, and investors of our company face uncertainty about potential future actions by the PRC government that could affect the enforceability of the contractual arrangements with the consolidated variable interest entities and, consequently, significantly affect the financial performance of the consolidated variable interest entities and our company as a whole.
- If the PRC government deems that the contractual arrangements regarding the 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.
- We rely on contractual arrangements with the consolidated variable interest entities for a significant portion of our business operations, and such contractual arrangements may not be as effective as equity ownership in providing operational control.
- Any failure by the consolidated variable interest entities, shareholders of the consolidated variable interest entities or other parties to perform their obligations under our contractual arrangements with them would have a material adverse effect on our business.
- The shareholders of the consolidated variable interest entities may have potential conflicts of interest with us, which may materially and adversely affect our business and financial condition.

Risks Related to Doing Business in China

- Most of our operations are located in China. Accordingly, our business, prospects, financial conditions and results of operations may be affected to a significant degree by political, economic and social conditions in China generally. In addition, a severe or prolonged downturn in the Chinese or global economy could reduce the demand for consumer loans and investments, which could materially and adversely affect our business and financial condition. For more details, see “Item 3. Key Information—D. Risk Factors—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” and “—A severe or prolonged downturn in the Chinese or global economy, any adverse policy change targeting China, protracted geopolitical tensions between China and other countries, or any financial or economic crisis—or even the perceived threat of such a crisis—could materially and adversely affect our business and financial condition.”
- We face risks arising from uncertainties with respect to the PRC legal system. Certain rules and regulations can change quickly and sometimes on short notice, and there may be risks and uncertainties regarding the interpretation and enforcement of PRC laws and regulations. These risks and uncertainties may make it difficult for us to meet or comply with requirements under the applicable laws and regulations. For more details, see “Item 3. Key Information—D. Risk Factors—Risks Related to Doing Business in China—Uncertainties in the interpretation and enforcement of PRC laws and regulations could limit the legal protections available to us.”
- 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. For more details, see “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.”
- The PRC government’s significant authority in regulating our operations and its oversight and control over offerings conducted overseas by, and foreign investment in, China-based issuers could significantly limit or completely hinder our ability to offer or continue to offer securities to investors. Implementation of industry-wide regulations in this nature may cause the value of such securities to significantly decline. For more details, see “Item 3. Key Information—D. Risk Factors—Risks Related to Doing Business in China—The PRC government’s significant oversight and discretion over our business operation could result in a material adverse change in our operations and the value of our ADSs.”
- Our ADSs may be prohibited from trading in the United States under the HFCA Act in the future if the PCAOB is unable to inspect or fully investigate auditors located in China. The PCAOB had historically been unable to inspect our auditor in relation to their audit work performed for our financial statements and the inability of the PCAOB to conduct inspections of our auditor in the past has deprived our investors with the benefits of such inspections. The delisting of our ADSs, or the threat of their being delisted, may materially and adversely affect the value of your investment. For more details, see “Item 3. Key Information—D. Risk Factors—Risks Related to Doing Business in China—The PCAOB had historically been unable to inspect our auditor in relation to their audit work performed for our financial statements and the inability of the PCAOB to conduct inspections of our auditor in the past has deprived our investors with the benefits of such inspections” and “—Our ADSs may be prohibited from trading in the United States under the HFCA Act in the future if the PCAOB is unable to inspect or investigate completely auditors located in China. The delisting of the ADSs, or the threat of their being delisted, may materially and adversely affect the value of your investment.”

Risks Related to Our American Depositary Shares

- The market price for our ADSs may be volatile.
- We are an exempted company limited by shares incorporated under the laws of the Cayman Islands. We conduct the majority of our operations in China and a significant portion of our assets are located in China. In addition, a majority of our directors and executive officers reside within China, and a significant portion of the assets of these persons are located within China. As a result, it may be difficult or impossible for you to effect service of process within the United States upon these individuals, or to bring an action against us or against these individuals in the United States in the event that you believe your rights have been infringed under the U.S. federal securities laws or otherwise. Even if you are successful in bringing an action of this kind, the laws of the Cayman Islands and of the PRC may render you unable to enforce a judgment against our assets or the assets of our directors and officers. See “Item 3. Key Information—D. Risk Factors—Risks Related to Our American Depositary Shares—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” and “—Certain judgments obtained against us by our shareholders may not be enforceable.”

A. [Reserved]

B. Capitalization and Indebtedness

Not applicable.

C. Reasons for the Offer and Use of Proceeds

Not applicable.

D. Risk Factors

Investing in our ADSs involves significant risks. You should carefully consider all of the information in this annual report before making an investment in our ADSs. Below please find the principal risks we face, organized under relevant headings. In the event that PRC regulations become applicable to companies in Hong Kong, the legal and operational risks associated with operating in China, as discussed in “Item 3. Key Information—D. Risk Factors—Risks Related to Our Business and Industry,” may also apply to our operations in Hong Kong. These risks are discussed more fully in the section titled “Item 3. Key Information—D. Risk Factors.”

Risks Related to Our Business

We generate the majority of our revenues from China’s online consumer finance platform market, an emerging and evolving industry, which makes it difficult to evaluate our future prospects.

China’s online consumer finance industry may not develop as expected. The regulatory framework for this industry is evolving and may remain uncertain for the foreseeable future. China’s online consumer finance industry in general remains at a rather preliminary development stage and may not develop at the anticipated growth rate. It is possible that the PRC laws and regulations may change in ways that do not favor our development. If that happens, there may not be adequate loans facilitated on our platforms and our current business model may be negatively affected. As a new industry, there are very few established players whose business models we can follow or build upon. Potential borrowers and institutional funding partners may not be familiar with this new industry and may have difficulty distinguishing our services from those of our competitors. Attracting and retaining borrowers and institutional funding partners is critical to increasing the volume of loans facilitated through our platforms. The emerging and evolving online consumer finance market makes it difficult to effectively assess our future prospects. In addition, our business has grown substantially in recent years, but our past growth rates may not be indicative of our future growth.

You should consider our business and prospects in light of the risks and challenges we encounter or may encounter in this developing and rapidly evolving industry. These risks and challenges include our ability to, among other things:

- navigate an evolving regulatory environment;

- expand the base of borrowers and institutional funding partners served on our platforms;
- maintain our credit standards;
- enhance our risk management capabilities;
- improve our operational efficiency;
- continue to scale our technology infrastructure to support the growth of our platforms and higher transaction volume;
- broaden our loan product offerings;
- operate without being adversely affected by the negative publicity about the industry in general and our company in particular;
- maintain the security of our platforms and the confidentiality of the information provided and utilized across our platforms;
- cultivate a vibrant consumer finance ecosystem;
- attract, retain and motivate talented employees; and
- defend ourselves in litigation, and against regulatory, intellectual property, privacy or other claims.

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

The laws and regulations governing online consumer finance industry in China are developing and evolving and subject to changes. If our business practices are deemed to violate any existing and future applicable laws, regulations or requirements of local regulatory authorities, our business, financial condition and results of operations would be materially and adversely affected.

We expect the laws, regulations, rules and governmental policies to continue to evolve in China’s online consumer finance industry. We are unable to predict with certainty the impact, if any, that future legislation, judicial interpretations or regulations relating to the online consumer finance industry will have on our business, financial condition and results of operations. To the extent that we are not able to fully comply with any new laws or regulations when they are promulgated, our business, financial condition and results of operations may be materially and adversely affected.

For instance, in July 2021, it was reported that the Credit Information System Bureau of the People’s Bank of China notified several internet platforms to complete the “disconnecting direct connection” process between personal information and financial institutions. This notification implies that as an online consumer finance platform, we may be prohibited from directly providing borrowers’ personal information to institutional funding partners. We provide borrower referral and preliminary credit assessment services to our institutional funding partners. The borrower information provided by us with such institutional funding partners, with due authorization, may be deemed as credit information. We proactively adjusted our practices for transmission of borrowers’ personal information following the promulgation of regulations related to “disconnecting direct connection.”

Furthermore, on September 27, 2021, the People’s Bank of China introduced the Measures for Regulating Credit Reference. These measures state that financial institutions are prohibited from collaborating with any commercial entity lacking a credit reference license for credit reference services. For further information, please refer to “Item 4. Information on the Company—B. Business Overview—Regulations in the PRC—Regulations Relating to Credit Reference Activities.” These measures do not provide clear guidance or rules regarding how and when market participants like us, if deemed to be conducting credit reference business, could apply for the required licenses or ensure compliance when necessary. If regulatory authorities interpret our information provision and preliminary credit assessment services to institutional funding partners as credit reference activities, we may need to adjust our business operations to comply with these regulations. This adjustment may involve obtaining a license for individual credit reference activities from competent regulatory bodies. Violators of these rules may face penalties, including business cessation, confiscation of illicit gains, fines ranging from RMB50,000 to RMB500,000, and potential criminal liability. Following the promulgation of these measures, we have adopted rectification measures and completed our adjustment process to comply with regulatory requirements regarding “disconnecting direct connections.” We have established collaborations with a licensed credit reference agency and regional financial organizations to ensure our practices for transmitting personal information comply with laws and regulations. However, there remain uncertainties with respect to the interpretation and implementation of the Credit Reference Measures, and we cannot guarantee that this approach will be deemed fully compliant with applicable laws and regulations regarding the “disconnecting direct connection.” As of the date of this annual report, we have not been subject to any penalties from the People’s Bank of China or any of its branches related to our cooperation with institutional funding partners.

On April 24, 2026, the People’s Bank of China, National Financial Regulatory Administration, Cyberspace Administration of China, and five other regulatory authorities jointly promulgated Administrative Measures for Online Marketing of Financial Products, or the Online Marketing Measures, which will take effect on September 30, 2026. It provides, among others, that (i) financial products include a wide array of products and services, among which are loan products; (ii) financial institutions with operational regional restrictions shall identify the client’s region and provide the financial products only to clients in the permitted regions; (iii) online platforms shall not direct financial clients to other third-party platforms without financial license; (iv) online platforms are prohibited from inducing clients by preferential initial payment fees, and from using misleading terms such as “low threshold”, “drawdown in seconds”, “low interest rate”, etc; and (v) online platforms are prohibited from utilizing algorithm model to induce excessive consumption. The Online Marketing Measures has recently been promulgated and there are a lot of uncertainties about its interpretations and impact on our business. We may need to adjust our business models with our institutional funding partners and third-party online lending platforms. We cannot assure you that such adjustments can be made in a timely or cost-efficient manner, nor that cooperation with third-party platforms will continue in the future. Additionally, we may be required to change our online ads for compliance with the Online Marketing Measures, which would affect user acquisition. Failure to comply may result in penalties, including business termination, fines, and potential criminal liability.

Further regulatory uncertainty, including the potential for new rules, continues to pose a significant risk to us. Failure to meet the requirements of regulatory authorities may subject us to fines or injunctions, necessitate modifications to our business model, termination of certain practices, or even cessation of our business operations. Such outcomes could significantly and adversely affect our business, financial condition, and results of operations. Additionally, our origination, servicing expenses, and other costs of revenue may increase, or we may need to adjust our current business model to maintain full compliance with laws and regulations applicable to us in the future.

We have modified our business model and practices in the past as a result of changes in laws, regulations, policies, measures and guidance. We may further change our business model or practices in the future, which may not be successful ultimately.

Given the complexities, uncertainties and frequent changes in the laws, rules, regulations, policies and measures within the markets where we operate, including alterations in their interpretation and implementation, we have a track record of modifying our business models and practices in response to shifts in regulatory requirements and our strategic plans. For example, we started our business as an online lending information intermediary, however, we ceased facilitating new loans with funding from individual investors on our platforms since October 2019 due to shifts in regulatory requirements. Instead, we enhanced our business model by acquiring higher-quality borrowers and transitioning our funding sources from individual investors to institutional funding partners. We launched our capital light model in 2020 as part of our strategic transition from a traditional, credit risk-bearing loan facilitator to a technology enabler. Under this model, we facilitate transactions between prospective borrowers and institutional funding partners without assuming credit risk on the loans extended by our funding partners to the borrowers we introduce. In connection with these changes in our business model and practices, we underwent considerable changes, such as offering new products and services, adjusting our business process and model, hiring new employees and building up new departments, and collaborating with new business partners.

We may further change our business model or practices in the future. If this happens, our business operations may have to go through considerable changes and we may experience a loss of continuity, loss of accumulated knowledge or loss of efficiency during the transitional period, which may cause our competitive position, business, financial condition and results of operations to be materially and adversely affected.

Our global operations expose us to a number of risks.

We began our business operations in multiple jurisdictions in December 2018. In December 2018 and June 2019, we established two subsidiaries in the Philippines, and one of them is authorized to operate as a lending company and the other is authorized to operate as a financing company. In December 2019, our subsidiary in Indonesia obtained the license for Technology and Information Based Financial Lending Institution from the Financial Services Authority of Indonesia. In February 2024, one of our Philippine subsidiaries was accredited by the Credit Information Corporation as a Special Accessing Entity to the Credit Information System. In April 2024, our Indonesian subsidiary acquired a supermajority stake in a local multi-finance company, followed by the purchase of the remaining equity interest in December 2025 to diversify our product offerings in the Indonesian market. In October 2025, we acquired a licensed lender in Australia which holds an Australian Credit Licence from the Australian Securities and Investments Commission (ASIC), to further advance our globalization strategy into developed markets.

Our outstanding loan balance in the overseas markets increased from RMB1,262.3 million as of December 31, 2023 to RMB1,696.2 million as of December 31, 2024 and further to RMB2,570.1 million (US\$367.5 million) as of December 31, 2025. In 2023, 2024 and 2025, revenues generated from the overseas markets amounted to RMB2,136.9 million, RMB2,532.5 million and RMB3,331.5 million (US\$476.4 million), accounting for 17.0%, 19.4% and 24.6% of the respective year's total net revenues.

As we continue to expand our global operations, we face risks associated with expanding into markets where we have limited or no experience and where we may be less well-known or have fewer local resources. We are also be subject to a variety of risks inherent in operating overseas businesses, including:

- business licensing or certification requirements of local markets;
- compliance challenges due to different laws and regulatory environments, including but not limited to those related to online consumer finance, privacy and data protection, data localization, network security, payments, anti-money laundering, and tax regimes and policies;
- the need for increased resources to manage regulatory compliance across our overseas businesses;
- challenges of localizing our services and products to meet the local needs;
- failure to effectively or efficiently locate and cooperate with local business partners;
- failure to attract and retain capable talent with international perspectives who can effectively manage and operate local businesses;
- higher costs of doing business globally, including increased accounting, travel, infrastructure and legal compliance costs;
- challenges of maintaining efficient and consolidated internal systems, including technology infrastructure, as well as customizing and integrating these systems;
- heightened restrictions and barriers on the transfer of data between different jurisdictions;

- exchange rate fluctuations;
- international geopolitical tensions and events; and
- political, social and economic instability of each jurisdiction where we operate.

In particular, our overseas operations are subject to intensifying regulatory scrutiny and enforcement actions, particularly in key areas critical to our online consumer finance business, including data privacy and security, mandated interest rate caps, debt collection practices, anti-competitive conduct, and consumer protection. Regulators in our target markets are increasingly adopting stricter rules and conducting enforcement, including investigations, fines, and sanctions, and the applicable legal standards may be ambiguous or subject to varying interpretation. While we endeavor to design our compliance programs to adhere to all applicable local laws and regulations and engage with relevant regulatory authorities proactively, our limited experience in many of these markets increases the risk of non-compliance, inadvertent violations, or adverse regulatory judgments. For instance, in March 2026, Indonesia’s antitrust agency, Komisi Pengawas Persaingan Usaha (“KPPU”), imposed administrative fines on 97 online lending firms operating in Indonesia, alleging violations of antitrust laws through alleged interest rate coordination. Our operations conducted under the AdaKami brand in Indonesia were among the sanctioned entities and were fined an aggregate amount of IDR102,300,000,000, approximately RMB41.7 million, in connection with the alleged coordination. We have filed a formal appeal against the KPPU’s decision; however, the appeal process is subject to judicial and administrative discretion, and we are currently unable to predict or assess the likelihood of success, the timing of a final ruling, or the ultimate outcome of such appeal.

Beyond enforcement actions, the regulatory landscape governing online consumer finance in our overseas markets is evolving rapidly, and inherently uncertain, with regulators issuing new rules, amendments, guidance, or policy shifts that may directly restrict our business model, pricing, or operations. For example, the Financial Services Authority of Indonesia (OJK) previously adopted rules to progressively reduce the interest rate cap for fintech lenders on consumptive loans, from a maximum of 0.4% per day in 2023 to 0.3% in 2024, to 0.2% in 2025, and further to 0.1% by 2026, posing potential risks to our operations in Indonesia. On December 31, 2024, the Financial Services Authority of Indonesia (OJK) revised its interest rate policy, which was subsequently reiterated by a regulation issued on July 31, 2025. The earlier plan to uniformly reduce the cap to 0.2% by 2025 was replaced with differentiated pricing based on loan tenor: loans with a tenor of six months or less remain capped at 0.3%, while those exceeding six months are capped at 0.2%. As the average tenor of our loans in Indonesia is three to four months, we anticipate the impact of these revised rules on our business to be limited. In addition, the Philippines Securities and Exchange Commission has issued a memorandum, effective April 1, 2026, imposing recalibrated ceilings on interest rates and fees charged by financing and lending companies on small consumer loans, setting a 12% monthly cap on effective interest rates for loans of up to P10,000 with terms of up to four months. Regulatory authorities may introduce new rules or amendments in the future, which could materially affect our operations. If our business operations in the overseas markets cannot grow and develop as expected, our results of operations, financial performance and prospect may be adversely or materially affected.

If we are unable to navigate these heightened regulatory risks, comply with evolving overseas regulatory requirements, or successfully resolve regulatory proceedings, our ability to grow, operate, or sustain our overseas business may be materially affected. Any material disruption to our international operations as a result of regulatory risk could have a material and adverse effect on our overall business, financial condition, results of operations, and long-term growth prospects. As we pursue further expansion into new and existing international markets, these regulatory and operational risks could intensify, and our global growth initiatives may not be successful. Failure to effectively manage the complexity of cross-border regulatory compliance and global operations could materially and adversely affect our business, financial condition, and results of operations.

If we are unable to retain existing borrowers or institutional funding partners or attract new borrowers or institutional funding partners, the volume of loans facilitated through our platforms may not be maintained or increased, which may adversely affect our business and results of operations.

The loan origination volume on our platforms was RMB194.3 billion in 2023, RMB206.2 billion in 2024 and RMB200.3 billion (US\$28.6 billion) in 2025. To maintain the growth momentum of our platforms, we must increase the volume of loans by retaining current users and attracting more users whose needs can be met on our platforms. If there are insufficient qualified loan requests, institutional funding partners may not be able to deploy their capital or their investors’ capital in a timely or efficient manner and may seek other investment opportunities. If there are insufficient funding commitments, borrowers may not be able to obtain capital through our platforms and may turn to other sources for their borrowing needs. If we are unable to attract qualified borrowers and sufficient funding commitments or if borrowers and institutional funding partners do not continue to participate in our platforms at the current rates due to any change we may be required to make to the way we conduct our business to ensure compliance with existing or new laws and regulations or due to any other commercial or regulatory reasons, we may not be able to increase our loan transaction volume and revenues as we expect, and our business and results of operations may be adversely affected. Normally the borrowers find us by downloading our mobile applications from application stores or through our Weixin official account, and website or other third-party channels. In response to the general regulatory environment, the operators of application stores or mobile application distributing channels may adjust their application exhibition policies or even remove our mobile applications from their application stores or distribution channels, which may materially and adversely affect our ability to engage new borrowers.

Currently, our institutional funding partners primarily include commercial banks, internet or digital banks, private banks, consumer finance companies, micro-loan companies and trust management companies. If we are unable to retain our existing institutional funding partners or attract new institutional funding partners, or if regulatory authorities promulgated new laws and regulations to regulate, limit, or even prohibit our collaboration with the institutional funding partners, our business, results of operations and financial condition will be adversely affected. As of December 31, 2025, we had cumulatively cooperated with 115 institutional funding partners in China and 18 institutional funding partners in the overseas markets. Our success is dependent upon our ability to maintain and expand our cooperation with institutional funding partners on reasonable commercial terms. If the governmental authorities further tighten the regulations on the online consumer finance industry, our institutional funding partners would become more selective in choosing partners for referring borrowers and facilitating loans for them. The competition we face would become even more intensely. Our cooperation with institutional funding partners is not on an exclusive basis. If we fail to meet their requirements or needs, our financial institution partners may stop cooperating with us and turn to our competitors, which may also materially and adversely affect our business, financial condition and results of operations.

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

We have devoted significant resources to, and will continue to emphasize on, upgrading and marketing our existing products and services and enhancing their market awareness. We also incur expenses and expend resources upfront to develop, acquire and market new products and services that incorporate additional features, improve functionality or otherwise make our platforms more desirable to borrowers and institutional funding partners. New products and services 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 and new products and services could fail to attain sufficient market acceptance for many reasons, including:

- borrowers may not find terms of our products, such as costs and credit limit, competitive or appealing;
- our failure to predict market demand accurately and provide products and services that meet this demand in a timely fashion;
- borrowers and institutional funding partners using our platforms may not like, find useful or agree with, any changes;
- defects, errors or failures on our platforms;
- negative publicity about our loan products or our platforms' performance or effectiveness;
- views taken by regulatory authorities that the new products, services or platform changes do not comply with laws, regulations or rules applicable to us; and
- the introduction or anticipated introduction of competing products by our competitors.

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

As we continue to develop our business, we may offer new products or services. Development and innovation in our business may expose us to new challenges and risks.

We have invested, and intend to continue to invest, significantly in product development. The introduction of new products and services may have inherent and unforeseeable risks and may bring the attention of regulatory authorities. Regulatory measures may impede the conduct of our new products and services and render future innovation unsuccessful. New products and services also require significant expense and resources to attract and acquire users, and they may fail to gain market acceptance for a variety of reasons. See “Item 3. Key Information—D. Risk Factors—Risks Related to Our Business—If our existing and new products and services do not achieve sufficient market acceptance, our financial results and competitive position will be harmed.”

If our future products and services fail to meet the expectations of borrowers or institutional funding partners, become obsolete, or do not address their needs, we may struggle to remain competitive. This could result in a decline in market share, materially affecting our business, financial condition, and operating results.

Additionally, the development of new products or services may require collaboration with third-party business partners. While we mandate that our partners comply with all applicable laws and regulations, we have limited control over their operations. Consequently, if our third-party partners fail to adhere to legal and regulatory requirements, it could negatively impact our reputation and business.

Our cooperation with institutional funding partners exposes us to regulatory uncertainties and we may be required to obtain additional government approval or license due to our cooperation with institutional funding partners.

In 2023, 2024 and 2025, our loan origination volume in China was RMB186.4 billion, RMB196.1 billion and RMB186.3 billion (US\$26.6 billion), all of which was funded by institutional funding partners or our own microloan companies. We carry out our cooperation with institutional funding partners through Shanghai Erxu, a subsidiary of one of the consolidated variable interest entities. Shanghai Erxu, in partnership with our other subsidiaries, focuses on providing services to our institutional funding partners, including borrower referrals and preliminary credit assessments, to facilitate their involvement in our online lending operations.

The online consumer finance industry in China is evolving. Regulatory authorities’ interpretations of the laws governing this industry are subject to uncertainty. As such, there are uncertainties regarding whether our business practices will be deemed fully compliant with all applicable laws and regulations. With the regulatory environment of the consumer finance industry continually evolving, regulatory authorities may introduce new requirements, potentially including a new licensing regime to oversee the type of business activities conducted by Shanghai Erxu and our other subsidiaries. If such new regulatory rules are enacted, we cannot guarantee our ability to obtain the necessary licenses or regulatory approvals in a timely manner, or at all. Failure to do so may materially and adversely affect our business and our ability to sustain operations.

As of the date of this annual report, we have not been subject to any material fines or other penalties under any PRC laws or regulations, including those governing the online consumer finance industry in China, except for those that did not have a material adverse effect on the business, operations or financial conditions of our PRC subsidiaries, the consolidated variable interest entities and their respective subsidiaries taken as a whole. However, if governmental authorities adopt a more stringent regulatory framework for the online consumer finance industry in the future, we may become subject to additional requirements. Compliance with applicable laws and regulations can be costly. Moreover, if our business practices are found to violate any existing or future laws and regulations, we may face injunctions, including orders to cease illegal activities, and other penalties determined by the government authorities.

In addition, institutional funding partners are also subject to evolving regulations concerning online consumer finance industry. For instance, on April 3, 2025, the National Administration of Financial Regulation issued the Notice on Strengthening the Supervision of Online Lending Business and Promoting Financial Services, effective from October 1, 2025. It mandates, among others, the following key provisions: (i) bank headquarters shall maintain and publicly disclose on their official websites and mobile applications a whitelist of partnered online lending platforms; (ii) banks shall implement risk-based pricing mechanisms aligned with borrowers’ credit risks; (iii) online lending platforms are prohibited from charging interest or other fees to borrowers; (iv) credit enhancement service providers are prohibited from charging service fees or consultation fees, as such practices are deemed to increase credit enhancement fees in a disguised form; and (v) banks and online lending platforms must fully disclose key information, including but not limited to lenders, annualized interest rates, credit enhancement providers and fees, annualized funding costs, post-default interest and costs, and must clearly state that no other fees will be charged to borrowers. These requirements also apply to consumer finance companies and trust companies engaged in online lending business. The notice may necessitate further revisions to our cooperation model with funding partners and service providers, and could also impact our business operations, financial performance, and compliance strategy—especially with respect to the disclosure of fee collection information and credit risk control procedures. Furthermore, on March 15, 2026, the National Financial Regulatory Administration and the People’s Bank of China jointly promulgated the Provisions on Disclosure of the Comprehensive Borrowing Costs for Personal Loan Business, effective from August 1, 2026. The provisions require financial institutions to itemize items such as interest rates, installment fees, credit enhancement fees, and contingent costs arising from defaults, as well as identify the financial institutions or their cooperating entities that collect such interest and fees. Failure to fully comply with these detailed disclosure requirements may result in regulatory measures, and achieving compliance may involve additional costs.

Regulatory restrictions on institutional funding partners' acceptance of credit enhancement may adversely affect our business and access to funding.

In our collaboration with institutional funding partners, we engage licensed third-party financing guarantee companies to offer guarantees for the majority of loans funded by our institutional funding partners. In case of borrower default, these companies are obliged to repay the overdue amount to the corresponding institutional funding partner. Subsequently, we purchase creditor's rights from these guarantee companies. Additionally, we may provide security deposits to these third-party financing guarantee companies.

Furthermore, we established three financing guarantee subsidiaries, namely Fujian Zhiyun Financing Guarantee Co., Ltd., Zhiyun (Tianjin) Financing Guarantee Co., Ltd., and Hainan Shenxin Financing Guarantee Co., Ltd., in 2019 and 2020. Under some circumstances, these subsidiaries provide financing guarantee services directly to our institutional funding partners for loans they fund. However, under the Regulations on the Administration of Financing Guarantee Companies, as promulgated by the State Council on June 21, 2017, a financing guarantee company's outstanding guarantee liabilities may not exceed ten times its net assets. As of March 31, 2026, the net assets of Fujian Zhiyun Financing Guarantee Co., Ltd., Zhiyun (Tianjin) Financing Guarantee Co., Ltd., and Hainan Shenxin Financing Guarantee Co., Ltd. were RMB1,832.4 million (US\$262.0 million), RMB1,026.6 million (US\$146.8 million), and RMB288.9 million (US\$41.3 million), respectively. Therefore, the maximum outstanding guarantee liabilities our own guarantee companies can provide may not meet all the needs of our institutional funding partners. Consequently, we will need to continue engaging third-party guarantee companies to provide quality assurance commitments to our institutional funding partners.

The Notice on Regulating and Rectifying "Cash Loan" Business, issued in December 2017, prohibits banks, trust management companies, and consumer finance companies from accepting credit enhancement services or assuming default risks from unlicensed third parties involved in loan facilitation transactions. Additionally, the Regulations on the Supervision and Administration of Financing Guarantee Companies, issued in August 2017, mandate that entities engaging in financing guarantee business must obtain approval from local regulatory authorities. Failure to comply may result in penalties, including business termination, fines, and potential criminal liability. Moreover, the Supplemental Rules to the Administration of Financing Guarantee Companies, issued in October 2019, state that entities providing client referral or credit assessment services to lending institutions are prohibited from offering financing guarantee services without proper regulatory approval. Non-compliance may lead to business operation bans and the requirement to settle existing business. For more detailed information, please refer to "Item 4. Information on the Company—B. Business Overview—Regulations in the PRC—Regulations Relating to Online Consumer Finance Services."

Despite our efforts to mitigate regulatory risks, we cannot guarantee that regulatory authorities will not interpret or perceive the quality assurance commitments we provide to our institutional funding partners as engaging in financing guarantee business without approval. If we are unable to provide these quality assurance commitments due to regulatory restrictions, we may struggle to maintain our institutional funding partner base, leading to adverse effects on our liquidity, business operations, financial condition, and results. As of the date of this annual report, we have not faced any administrative penalties related to the quality assurance commitments provided to our institutional funding partners. However, if government authorities deem these commitments as unauthorized provision of financing guarantee business, we may face fines and other administrative penalties, significantly impacting our liquidity, business operations, financial condition, and results.

Moreover, on December 31, 2021, the People's Bank of China published the Regulations on Local Financial Supervision and Administration (Draft for Comments), outlining several key provisions. These include prioritizing local clients for local financial organizations, requiring guidance from the State Council or designated financial regulatory authorities for conducting business outside registered provinces, designating six types of financial organizations, including financing guarantee companies and micro-lending companies, as local financial organizations, providing a transition period for organizations operating outside provinces before the draft's effectiveness, and imposing penalties, such as correction orders, confiscation of illegal gains or fines, cessation of business operations, and revocation of business licenses, on organizations conducting business outside provinces without approval from competent provincial regulatory authorities. Currently, both the third-party guarantee companies we engage and our own guarantee companies provide nationwide services. However, uncertainties persist regarding when the Regulations on Local Financial Supervision and Administration (Draft for Comments) will become effective and how they will be implemented. Therefore, we cannot guarantee full compliance with these regulations in a timely manner or at all, and we may be required to rectify or terminate any actions deemed illegal by regulatory authorities.

We collaborate with third-party trust management companies to set up trusts. We may be deemed to be an illegal financial institution under such trust arrangement, which may materially and adversely affect our business and financial condition.

Our collaboration with third-party trust management companies involves setting up trusts, in some of which we invested to provide loans to borrowers we introduce. These trusts are managed by third-party trust management companies. Once we introduce suitable borrowers to these companies, they conduct their own credit assessments to determine whether to approve the loan applications. If a borrower's application is approved, the trust management company directly disburses the funds from the trust to the borrower's bank account.

Under the Measures for Banning of Illegal Financial Institutions and Illegal Financial Business Operations, issued by the State Council on July 13, 1998, any entity engaging in financial activities without approval from the People's Bank of China may be classified as an illegal financial institution. This includes providing loans without the necessary approval from the People's Bank of China, which is considered an illegal financial business operation. Given the rapid evolution of the online consumer finance industry and the changing regulatory landscape since the enactment of these measures, there is ambiguity surrounding their interpretation and applicability to our operations. While the trust management companies overseeing these trusts are licensed and approved by financial regulatory authorities, and we believe that these companies, rather than us, are the lenders of the loans, there is no guarantee that our interpretation aligns with that of the authorities. We cannot rule out the possibility that our investments in these trusts may be considered as providing loans to the borrowers. Consequently, we may be classified as an illegal financial institution or as engaging in illegal financial business, potentially subjecting us to penalties. These penalties could include the confiscation of illegal gains, along with fines ranging from one to five times the illegal gains, or a fine of RMB100,000 to RMB500,000 if there are no illegal gains, and criminal liability if the violation constitutes a criminal offense.

In addition, the Supreme People's Court, the Supreme People's Procuratorate, the Ministry of Public Security, and the Ministry of Justice jointly issued the Guidance on Several Issues for Illegal Lending Regarding Criminal Cases on July 23, 2019. This guidance provides, among others, that if any entity or individual is engaged in providing loans to unspecified individuals consistently for the purpose of profits and without the approval from the regulatory authorities or outside its business scope, which disturbs the stability of financial markets, such entity or individual may face a criminal charge of unfair competition and may be imposed criminal liability in accordance with the applicable laws and regulations. "Providing loans to unspecified individuals consistently" refers to providing loans to entities and individuals no less than ten times within two years.

On September 11, 2025, the National Financial Regulatory Administration promulgated the Measures for the Administration of Trust Companies, which came into force on January 1, 2026. The Measures for the Administration of Trust Companies requires, among others, that trust companies are prohibited from conducting channel business, and trust companies shall establish their own risk management systems. Currently we refer borrowers to trust companies, and the trust companies, at their sole discretion, determine whether to draw down. We believe that our business model with the trust companies does not constitute channel business. However, we cannot assure you that the regulatory authorities will share our view. If the regulatory authorities were to take a different view than ours, we may not be able to adjust our business model in a timely or cost-efficient manner, or at all.

There are uncertainties as to the interpretation of this guidance, and it is still unclear how the regulatory authorities will interpret and implement it in the future. We cannot rule out the possibility that regulatory authorities may deem our operation activities under the trust arrangements as unfair competition and impose criminal liability on us. If that happens, our business, results of operations and financial condition would be materially and adversely affected.

Interest rates of certain of our loan products may exceed the statutory interest rate limit and therefore part of the interests may not be enforceable through the PRC judicial system.

Our revenue, to the extent they are deemed to be or related to loan interest and expense incurred by the borrower for the loan, is subject to interest rate restrictions imposed by various regulatory authorities in China. According to the Notice on Regulating and Rectifying Cash Loan Business, promulgated by the Internet Finance Rectification Office and the Online Lending Rectification Office in December 2017, in the context of cash loans provided by various types of institutions, the total borrowing costs, including interest and various fees charged to borrowers, must adhere to the upper limit on interest rates for private lending as outlined in the judicial interpretations issued by the Supreme People's Court. At the time of the promulgation of this notice, the then effective upper limit on interest rates for private lending was 24% per annum, as judicially protected by the PRC court, while interest rates ranging from 24% to 36% per annum were considered legally permissible but unenforceable, and any interest rate exceeding 36% per annum was deemed illegal. Meanwhile, the Supreme People's Court promulgated the Circular of Several Suggestions on Further Strengthening the Judicial Practice Regarding Financial Cases on August 4, 2017, which provides, among others, that the claim of a borrower under a financial loan agreement to adjust or cut down the part of interest exceeding 24% per annum on the basis that the aggregate amount of interest, compound interest, default interest, liquidated damages and other fees collectively claimed by the lender is overly high should be supported by the PRC courts. For more details, see "Item 4. Information on the Company—B. Business Overview—Regulations in the PRC—Regulations Relating to Online Consumer Finance Services—Regulations on lending activities."

The Supreme People's Court subsequently approved two amendments to the Provisions on Several Issues Concerning Laws Applicable to Trials of Private Lending Cases on August 19, 2020 and December 29, 2020, pursuant to which the PRC courts will support a non-financial institution's claim for interest on loans if their annual interest rate does not exceed four times the one-year Loan Prime Rate at the time of the establishment of the loan agreements. The aforementioned one-year Loan Prime Rate refers to the one-year loan market quoted interest rate issued by the National Bank Interbank Funding Center. As of the date of this annual report, the most recent one-year loan market quoted interest rate issued by the National Bank Interbank Funding Center was 3.00%. The one-year loan market quoted interest rate may decrease in the future.

Also on December 29, 2020, the Supreme People's Court further issued the Reply Regarding the Scope of Application of the New Private Lending Judicial Interpretation, which provides that the amended Provisions of the Supreme People's Court on Several Issues Concerning the Application of Law in the Trial of Private Lending Cases are not applicable to disputes arising from the financial business of microloan companies, financing guarantee companies, and five other types of local financial organizations which are regulated by local financial authorities.

Currently, substantially all of the institutional funding partners funding new loan originations on our platform in China are financial institutions licensed by regulatory authorities. We believe that the interest rate limit in the regime of private lending, as stipulated by the Supreme People's Court and the subsequent amendments does not apply to loans funded by these financial institutions. However, regulatory authorities may have broad discretion in the administration, interpretation, and enforcement of laws and regulations. Therefore, it is possible that they may hold different opinions. In early 2026, certain local financial regulatory authorities required that, no later than the end of 2027, the interest rates on the loans newly funded by local micro-loan companies should not exceed four times the LPR. Although loans funded by micro-loan companies on our platform currently account for a relatively small proportion of our total loan volume, and the immediate impact on us is not significant, these regulatory requirements may negatively affect our cooperation with micro-loan companies. As a result, we may be required to adjust our business model with such companies, which could impact our financial results.

Furthermore, on March 31, 2021, the People's Bank of China issued its No. 3 announcement of 2021, commonly referred to as PBOC No. 3 Announcement. This announcement includes provisions specifying that the annual interest rate of a loan should be calculated as the annualized ratio of all expenses charged from the borrower for the borrowing to the principal actually borrowed. These expenses encompass both interest and various other fees directly related to the borrowing. Compound interest rates and simple interest rates are both permitted for calculating the annual interest rate, provided that if a simple interest rate is used, it must be explicitly disclosed to the borrower. PBOC No. 3 Announcement applies to deposit-taking financial institutions, consumer finance companies, microloan companies, and internet platforms providing loan application services like ours. Before the promulgation of PBOC No. 3 Announcement, no rules or regulations explicitly defined the calculation method for the maximum interest rates permitted by the laws. Following the issuance of the No. 3 Announcement, we adjusted our calculation method for loan interest rates on our platform in China accordingly and explicitly disclosed the adjusted calculation method to our borrowers.

On April 3, 2025, the National Administration of Financial Regulation issued the Notice on Strengthening the Supervision of Online Lending Business and Promoting Financial Services, effective from October 1, 2025. It mandates, among others, that (i) banks shall make sure in the cooperative agreements that online lending platforms are prohibited from charging borrower interest or other fees, and credit enhancement service providers are prohibited from charging service fees or consultation fees, as such practices are deemed to increase credit enhancement fees in a disguised form; and (ii) banks shall ensure that borrowers' comprehensive costs are in compliance with Circular of Several Suggestions on Further Strengthening the Judicial Practice Regarding Financial Cases promulgated by the Supreme People's Court. For further information, please refer to "Item 4. Information on the Company—B. Business Overview—Regulations in the PRC—Regulations Relating to Lending Activities." Historically, some of our institutional funding partners, or financial guarantee companies they engage, may charge additional service fees exceeding 24%. As of December 31, 2025, for the substantial majority of the outstanding balance of loans facilitated on our platform in China, the interest rates did not exceed 24%. If any of the loans with an interest rate over 24% become delinquent, we may be unable to collect the portion of interest exceeding 24% annually through PRC judicial enforcement. Moreover, if a borrower prepays the loan, or defaults in his payment obligation, the annualized cost, including liquidated damage, default interest, and collection fee if applicable, may exceed 24%. The regulatory authorities may deem the portion of the interest rate exceeding 24% annually to be invalid, which could adversely and materially affect our business, results of operations, and financial condition.

Furthermore, the laws, regulations, and governmental policies governing the online consumer finance industry are evolving. The regulatory authorities may impose more requirements on the interest rates to further regulate the industry. For example, on March 15, 2026, the National Financial Regulatory Administration and the People's Bank of China jointly promulgated the Provisions on Disclosure of the Comprehensive Borrowing Costs for Personal Loan Business, effective from August 1, 2026. It requires the financial institutions to itemize the interest rates, instalment fees, credit enhancement fees, and the contingent costs in the event of default, etc., as well as the financial institutions or the partnering entities who charge such interest or fees. If we fail to comply with any regulatory requirements, our business, financial condition, results of operations, and cooperation with business partners could be materially and adversely affected.

We operate in markets where the credit infrastructure may still be at an early stage of development.

We operate in markets where the credit infrastructure may still be in the early stages of development. In these markets, the systems and frameworks required to assess creditworthiness, aggregate data, and facilitate lending decisions may not be fully established or efficient. The ability of the credit infrastructure to effectively aggregate data from various online databases, including those with differing formats and standards, remains uncertain. Additionally, the accuracy and reliability of the aggregated data may be challenged by the lack of standardized processes and the evolving nature of digital financial systems. As the infrastructure develops, we may face challenges in ensuring that data is accurate, comprehensive, and properly integrated into our lending models, which could impact our ability to operate effectively.

We bear credit risks for the majority of the loans funded by institutional funding partners to borrowers we introduced. If we fail to effectively manage credit risk of our loans and our overdue loans increase, our business, financial condition and results of operations may be materially adversely affected.

We provide our institutional funding partners with quality assurance commitments for a majority of the loans they have funded. See “Item 4. Information on the Company—B. Business Overview—Quality Assurance Commitments for Our Institutional Funding Partners.” As a result, we are subject to credit risk for such loans.

Any deterioration in our loan portfolio quality and increase in default risks could materially adversely affect our results of operations. We may not be able to effectively control the level of our overdue loans in the future. Our default risks may increase in the future due to a variety of factors, including factors beyond our control, such as a slowdown in economic growth, a deepening of a credit crisis or other adverse macroeconomic trends. Such factors may cause operational, financial and liquidity issues for our borrowers and affect their ability to make loan repayments in a timely manner. Also, our financing guarantee subsidiaries may face a potential reduction in its assets if our institutional funding partners claim substantial repayments due to defaults, and we may need to provide additional capital injections into our financing guarantee subsidiaries, which may adversely affect our financial condition. If we fail to effectively manage credit risk of our loans and our overdue loans increase, our business, financial condition and results of operations may be materially adversely affected.

We are subject to credit cycle and the risk of deterioration of credit profiles of borrowers.

Our business is subject to credit cycle associated with the volatility of general economy. If economic conditions deteriorate, we may face increased risk of default or delinquency of borrowers, which will result in lower returns or losses. In the event that the creditworthiness of our borrowers deteriorates or we cannot track the deterioration of their creditworthiness, the criteria we use for the analysis of borrower credit profiles may be rendered inaccurate, and our risk management system may be subsequently rendered ineffective. This in turn may lead to higher default rates and adverse impacts on our reputation, business, results of operations and financial positions.

If we are unable to accurately assess the creditworthiness of the borrowers on our platforms or if we fail to accurately anticipate and manage the delinquency rates of the loans funded by our institutional funding partners, we will not be able to maintain our credit risk exposure within acceptable parameters. If we are unable to effectively collect these delinquent loans, our liquidity, business operations, financial condition and results of operations would be materially and adversely affected.

We rely on our proprietary credit-scoring model in assessing the creditworthiness of our borrowers and the risks associated with loans. If our credit-scoring model is flawed or ineffective, or if we otherwise fail or are perceived to fail to manage the default risks of loans facilitated through our platforms, our reputation and market share would be materially and adversely affected, which would severely impact our business and results of operations.

Our ability to attract borrowers and institutional funding partners to, and build trust in, our platforms is significantly dependent on our ability to effectively evaluate borrowers' credit profiles and likelihood of default. To conduct this evaluation, we utilize our proprietary credit assessment model, known as the Magic Mirror Model, which is built based on data from multiple sources, including credit reference agency, and strengthened by our sophisticated artificial intelligence and advanced machine learning techniques. The Magic Mirror Model categorizes borrowers into different credit ratings according to their risk profiles, based on which our risk pricing system assigns them appropriate interest rates, credit limits and loan durations. However, the Magic Mirror Model may not effectively predict future loan losses. Subject to credit assessment result for each loan application, a borrower is allowed to take out multiple loans at a time on our platforms if their existing loans are not in default and the total outstanding balance is within the approved credit limit for the type of loan the borrower applies for. Credit limits are set by loan products, and thus a borrower may have a credit limit for each type of loans on our platforms. A borrower's credit limit for a particular type of loan is determined considering a range of factors, including (i) the borrower's credit level based on their Magic Mirror score—borrowers with better Magic Mirror credit scores are generally given higher credit limits, (ii) the borrower's credit needs, such as the type of loans being applied for, (iii) the borrower's credit limits and credit performance for other types of loans on our platforms, and (iv) overall investment demand from investors. A new Magic Mirror credit score is generated each time a borrower applies for a loan, which may change the borrower's credit limit for that type of loan. As such, it is possible that borrowers may take out new loans on our platforms to pay off their other existing loans we facilitated or for other purposes. Given the practical difficulty in tracking and controlling the usage of borrowed funds, we are not able to effectively prevent borrowers from "rolling over" their loans on our platforms. Although the Magic Mirror Model looks less favorably upon borrowers who have high credit line utilization ratios, it may not be able to timely and accurately adjust down the credit rating assigned to a borrower if such borrower masks their deteriorating creditworthiness by refinancing existing loans with new loans on our platforms. If we are unable to effectively classify borrowers into the relative risk categories, we may be unable to offer attractive interest rates for borrowers and returns for investors and effectively manage the default risks of loans facilitated through our platforms. We consistently refine the algorithms, data processing and machine learning used by the Magic Mirror Model, but if any of these decision-making and scoring systems contain programming or other errors, are ineffective or the data provided by borrowers or third parties are incorrect or stale, our loan pricing and approval process could be negatively affected, resulting in mispriced or misclassified loans or incorrect approvals or denials of loans.

For loans funded by our institutional funding partners, they will review borrowers' applications and may make use of our preliminary credit assessment we provide to them and then decide if to provide loans to such borrower as well as the credit limit after their independent credit review. If any data provided by borrowers or third parties are incorrect or stale or our preliminary credit assessment service is not effective, our cooperation with institutional funding partners could be negatively affected. In addition, we bear credit risks for the majority of the loans funded by institutional funding partners to borrowers we introduced. If our ability to provide preliminary credit assessment is not as effective or efficient as expected, our liquidity, financial conditions and results of operations may be materially and adversely affected.

In addition, if a borrower's financial condition deteriorates after their loan application is approved, we may not be able to take measures to prevent such borrower's default and thereby maintain a reasonably low default rate for loans facilitated through our platforms.

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

We obtain certain information from prospective borrowers and third parties for the purpose of credit assessment, which may not be complete, accurate, or reliable. 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 borrower information. Additionally, once we have obtained a borrower's information, the borrower may subsequently (i) become delinquent in the payment of an outstanding obligation; (ii) default on a pre-existing debt obligation; (iii) take on additional debt; or (iv) sustain other adverse financial events, making the information we have previously obtained inaccurate.

To better assess borrowers' creditworthiness, we joined the National Internet Finance Monitoring Platform, a credit and information sharing system set up by the National Internet Finance Association of China. A participant of this sharing system can obtain a borrower's credit information shared by other participants. However, there are a limited number of participants and limited amount information on the platform. As a result, we cannot determine whether borrowers have outstanding loans through other consumer finance platforms not participating in this sharing system at the time they obtain a loan from us. This creates the risk that a borrower may borrow money through our platforms in order to pay off loans on other consumer finance platforms and vice versa. If a borrower incurs additional debt before fully repaying any loan such borrower takes out on our platforms, the additional debt may impair the ability of that borrower to make payments on their loan. In addition, the additional debt may adversely affect the borrower's creditworthiness generally, and could result in the financial distress or insolvency of the borrower. To the extent that a borrower has or incurs other indebtedness and cannot repay all of their indebtedness, the obligations under the loans will rank pari passu to each other and the borrower may choose to make payments to other creditors rather than to institutional funding partners on our platforms.

Furthermore, the Notice on Regulating and Rectifying "Cash Loan" Business provided, among others, that funds from banks cannot be used for "campus loan" business. See "Item 4. Information on the Company—B. Business Overview—Regulations in the PRC—Regulations Relating to Online Consumer Finance Services—Regulations on lending activities." We have adopted several measures to identify college students and try to prevent them borrowing money from our platforms. However, we cannot assure that those measures are able to identify all college students on our platforms.

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

Loss of or failure to maintain relationship with our strategic partners may materially and adversely affect our business and results of operations.

We currently rely on a number of strategic partners in various aspects of our business. For example, we rely on some third-party payment companies to handle payment clearance. In this process, borrowers first repay into a third-party payment system, and then the third-party payment company and we work together to split the total repayment amount, including principals, interests and service fees, and allocate the respective portions to the institutional funding partners and to us. Furthermore, our institutional funding partners may engage financial guarantee companies to provide credit enforcement service when doing business with us. We anticipate that we will continue to leverage strategic relationships with existing strategic partners to grow our business while pursuing new relationships with additional strategic partners.

Pursuing, establishing and maintaining relationships with strategic partners require significant time and resources as does integrating third-party data and services with our system. Our current agreements with partners generally do not prohibit them from working with our competitors or from offering competing services. Our competitors may be more effective in providing incentives to our partners to favor their products or services, which may in turn reduce the volume of loans facilitated through our platforms. In addition, the regulatory authorities of our strategic partners may intervene in their operations or prohibit them from doing business with us. If we cannot successfully enter into and maintain effective strategic relationships with strategic partners, our business will be harmed.

In addition, if any of our partners fails to perform properly, we cannot assure you that we will 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 institutional funding partners, inability to attract borrowers and institutional funding partners, reputational damage, regulatory intervention and financial harm, which could negatively impact our business, financial condition and results of operations.

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

In China, our business involves connecting institutional funding partners and borrowers, which constitutes an intermediary service. Our contracts with institutional funding partners and borrowers are considered intermediation contracts under the Civil Code of the PRC. According to this code, an intermediary who intentionally conceals material information or provides false information in connection with the conclusion of an intermediation contract, resulting in harm to the client's interests, may not claim any service fee for its intermediary services and is liable for any damage incurred by the client. Therefore, if we fail to provide any material information to institutional funding partners and are found to be at fault, for failure or deemed failure to exercise proper care, to conduct adequate information verification or supervision, we could be subject to liabilities as an intermediary under the Civil Code of the PRC.

We leverage a large database of past fraud accounts information and sophisticated rule-based detection technology in detecting fraudulent behaviors. Based on new data collected and fraudulent behaviors detected during our daily business operations, we update our database on an as-needed basis. However, as the laws, regulations, rules, and governmental policies governing the online consumer finance industry are evolving, it remains unclear to what extent online consumer finance platforms should exercise care in detecting fraud. For the capital light model, although we believe that as an information intermediary, we should not bear the credit risk for institutional funding partners exceeding the portion that we agreed to bear, as long as we take reasonable measures to detect fraudulent behaviors, we cannot assure you that we would not be subject to any liabilities under the current laws, regulations, rules, and governmental policies governing the online consumer finance industry if we fail to detect any fraudulent behavior. If that were to occur, our results of operations and financial condition could be materially and adversely affected.

We may be deemed to use our own funds to finance certain loans and therefore be subject us to regulatory risks.

Under the Measures for Banning of Illegal Financial Institutions and Illegal Financial Business Operations, issued by the State Council on July 13, 1998, any entity engaging in financial activities without approval from the People's Bank of China may be classified as an illegal financial institution. This includes providing loans without the necessary approval from the People's Bank of China, which is considered an illegal financial business operation. See "Item 4. Information on the Company—B. Business Overview—Regulations in the PRC—Regulations Relating to Online Consumer Finance Services—Regulations on illegal financial institutions and intermediaries."

In connection with our quality assurance commitments provided through third-party financing guarantee companies, when a borrower defaults, the third-party financing guarantee companies will repay the full overdue amounts to our institutional funding partners. Subsequently, we will purchase the creditors' rights from these third-party financing guarantee companies, and the borrowers are required to repay the remaining principal and interest to us. We cannot rule out the possibility that regulatory authorities may view this business practice as constituting the provision of loans without the permission of the People's Bank of China, potentially leading to our classification as an illegal financial institution. If found in violation of these measures, we would be subject to fines, penalties, or other liabilities, which could materially and adversely affect our business, financial condition, and prospects.

Our failure to compete effectively could adversely affect our results of operations and market share.

The online consumer finance industry in the markets where we operate is competitive and evolving. We compete with financial products and companies that attract borrowers and institutional funding partners. Primarily, we compete with leading online consumer finance companies in the markets where we operate. Additionally, concerning borrowers, we also 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 institutional funding partners, our product offerings also compete with other 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. Ultimately, they may prove more successful or 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. Moreover, our competitors may possess more extensive borrower or funding sources, greater brand recognition and 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. Any of the foregoing could adversely affect our business, results of operations, financial condition, and future growth.

Furthermore, our competitors may excel at developing new products, responding faster to new technologies, and undertaking more extensive marketing campaigns. When new competitors seek to enter our target market or existing market participants seek to increase their market share, they sometimes undercut the pricing and/or terms prevalent in that market, which could adversely affect our market share or ability to exploit new market opportunities. Also, since the online consumer finance industry in the markets where we operate is evolving, potential institutional funding partners and borrowers may not fully understand how our platforms work and may not fully appreciate the additional customer protections and features that we have invested in and adopted on our platforms compared to others. Our pricing and terms could deteriorate if we fail to meet these competitive challenges. Furthermore, to the extent that our competitors can offer more attractive terms to our cooperation partners, such cooperation partners may choose to terminate their relationships with us. If we are unable to compete with such companies and meet the need for innovation in our industry, the demand for our platforms could stagnate or substantially decline, resulting in reduced revenues or our platforms failing 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 a 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 institutional funding partners to our platforms. This depends largely on the effectiveness of our marketing efforts and the success of the channels we use to promote our platforms. If any of our current marketing channels become less effective, if we are unable to continue to use any of these channels, if the cost of using these channels were to significantly increase or if we are not successful in generating new channels, we may not be able to attract new borrowers and institutional funding partners in a cost-effective manner or convert potential borrowers and institutional funding partners into active borrowers and institutional funding partners on our platforms.

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.

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

Reputation of our brand is critical to our business and competitiveness. Factors that are vital to our reputation include but are not limited to our ability to:

- maintain the quality and reliability of our platforms;
- provide borrowers and institutional funding partners with a superior experience on our platforms;
- enhance and improve our credit assessment and risk-pricing models;
- effectively manage and resolve borrower and institutional funding partner complaints; and
- effectively protect personal information and privacy of borrowers and institutional funding partners.

Any malicious or 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 compromise our reputation and harm our business and operating results.

As the online consumer finance industry is relatively new in certain markets where we operate, and the regulatory framework for this industry is also evolving, negative publicity about this industry may arise from time to time. Negative publicity about the online consumer finance industry in general may have a negative impact on our reputation, regardless of whether we have engaged in any inappropriate activities. Governmental authorities in the markets where we operate have also instituted specific rules to develop a more transparent regulatory environment for the online consumer finance industry. See “Item 4. Information on the Company—B. Business Overview—Regulations in the PRC—Regulations Relating to Online Consumer Finance Services” for details. Non-compliance with these regulations by any players in the online consumer finance industry within our market may adversely impact the reputation of the industry as a whole. Any negative development in, or negative perception of, the online consumer finance industry as a whole, 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 institutional funding partners. Negative developments in the online consumer finance industry, such as widespread borrower defaults, aggressive practices, or misconduct in loan collection, fraudulent behavior, and/or the closure of other online consumer finance platforms, 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 platforms like us.

In addition, negative publicity about our partners, outsourced service providers, or other counterparties, such as negative publicity about their loan collection practices and any failure by them to adequately protect the information of our borrowers, comply with applicable laws and regulations, or otherwise meet required quality and service standards, could harm our reputation. If any of the foregoing takes place, our business and results of operations could be materially and adversely affected.

Fraudulent activity on our platforms 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 platforms and associated with borrowers, institutional funding partners and other third parties handling borrower information. Our resources, technologies and fraud detection tools may be insufficient to accurately detect and prevent fraud. Significant increases in fraudulent activity could negatively impact our brand and reputation, result in losses suffered by the institutional funding partners, reduce the volume of loans facilitated through our platforms and lead us to take additional steps to reduce fraud risk, which could increase our costs and expenses. High profile fraudulent activity could even lead to regulatory intervention, and may divert our management’s attention and cause us to incur additional expenses and costs. If any of the foregoing were to occur, our results of operations and financial condition could be materially and adversely affected.

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

We earn a substantial majority of our revenues from the service fees that we collect from institutional funding partners or third-party guarantee companies on loans facilitated through our platforms, as well as the fees that we charge borrowers as guarantee fees. The fee rates may vary among different business models and third-party guarantee companies or institutional funding partners. Any material reduction in our fee rates could have a significant adverse effect on our business, results of operations and financial condition.

Fluctuations in interest rates could negatively affect transaction volume facilitated through our platforms.

All loans facilitated through our platforms are issued with fixed interest rates. We determine the interest rates of the loans on our platforms primarily based on market conditions and the general interest rate environment, rather than by referencing a specific benchmark rate. Fluctuations in interest rates may affect the demand for loan services on our platforms. For example, a decrease in interest rates may cause potential borrowers to seek lower-priced loans from other channels. A high-interest-rate environment will likely increase the funding costs for our institutional funding partners, which may lead to a higher rate of return required by such institutional funding partners and thereby dampen their desire to fund borrowers on our platforms. If we fail to respond to fluctuations in interest rates promptly and adjust our loan product offerings, potential and existing investors may lose potential interest returns on our platforms and products, delay or reduce future loan investments, and potential and existing borrowers may show less interest in our loan products and platforms. Consequently, fluctuations in the interest rate environment may discourage institutional funding partners and borrowers from participating in our platforms, adversely affecting our business.

We may not be able to obtain additional capital on favorable terms or at all, and we may issue additional equity or debt securities that may have an adverse effect on our shareholders or may otherwise adversely affect our business.

We need to make continued investments in facilities, hardware, software and technology systems and to retain talents to remain competitive. Due to the unpredictable nature of the capital markets and our industry, we cannot assure you that we will be able to raise additional capital on terms favorable to us, or at all, if and when required, especially if we experience disappointing operating results. If adequate capital is not available to us as required, our ability to fund our operations, take advantage of unanticipated opportunities, develop or enhance our infrastructure or respond to competitive pressures could be significantly limited, which would adversely affect our business, financial condition and results of operations. If we do raise additional funds through the issuance of equity or convertible debt securities, the ownership interests of our shareholders could be significantly diluted. These newly issued securities may have rights, preferences or privileges senior to those of existing shareholders.

Furthermore, the terms of any additional debt securities we may issue in the future may impose restrictions on our operations, which may include limiting our ability to incur additional indebtedness, pay dividends on or repurchase our share capital, or make certain acquisitions or investments. In addition, we may be subject to covenants requiring us to satisfy certain financial tests and ratios, and our ability to satisfy such covenants may be affected by events outside of our control.

The terms of the convertible notes we issued could delay or prevent an attempt to take over our company. The terms of the 2030 Notes require us to repurchase the respective notes in the event of a fundamental change. A takeover of our company would constitute a fundamental change. This could have the effect of delaying or preventing a takeover of our company that may otherwise be beneficial to our shareholders. In addition, the holders of the 2030 Notes shall have the right, at such holder's option, to convert their notes any time prior to the close of business on the third scheduled trading day immediately preceding the maturity date. Holders of the 2030 Notes may require us to repurchase all or part of their notes for cash on July 3, 2028 or in the event of certain fundamental changes, in each case, at a repurchase price equal to 100% of the principal amount of the notes to be repurchased, plus accrued and unpaid interest, if any, to, but excluding, the relevant repurchase date. If we do not have adequate cash available or cannot obtain additional financing, or our use of cash is restricted by applicable law, regulations or agreements governing our current or future indebtedness, we may not be able to fulfill our obligations thereunder, including the repurchase any of these notes when required under the transaction documents, which would constitute an event of default under the transaction documents. An event of default could also lead to a default under other agreements governing our current and future indebtedness, and if the repayment of such other indebtedness were accelerated, we may not have sufficient funds to repay the indebtedness and repurchase the notes or make cash payments upon conversion of any of these notes.

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 institutional funding partners, 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 institutional funding partners through our platforms is governed by various 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 institutional funding partners, 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 to our own collecting team, we also use certain third-party service providers for loan collection services. Aggressive practices or misconduct by any of our third-party service providers in the course of collecting loans could damage our reputation.

Any failure to comply with existing or future laws and regulations related to data protection, data security, cybersecurity or personal information protection could lead to liabilities, administrative penalties or other regulatory actions, which could negatively affect our operating results and business.

The regulatory framework for the collection, use, safeguarding, sharing, transfer and other processing of data and personal information worldwide is rapidly evolving and is likely to remain uncertain for the foreseeable future. As the regulations regarding data protection, data security, cybersecurity and personal information protection are quickly evolving in China and globally, we may become subject to new laws and regulations applying to the solicitation, collection, processing or use of personal information that could affect how we store, process and share data of our borrowers.

In particular, the PRC government has tightened the regulation of the storage, sharing, use, disclosure and protection of personal data and user data in recent years. PRC laws and regulations require internet service providers and other network operators to clearly state the authorized purpose, methods and scope of the collection and usage of personal data and obtain the consent of users for the processing of this personal data, as well as to establish user information protection systems with remedial measures. For details of these regulations, please refer to “Item 4. Information on the Company—B. Business Overview—Regulations in the PRC—Regulations Relating to Internet Companies—Regulations on internet security.”

On May 1, 2021, the Regulations on the Scope of Necessary Personal Information Collected by the Frequently Used Mobile Applications came into effect. See “Item 4. Information on the Company—B. Business Overview—Regulations in the PRC—Regulations Relating to Internet Companies—Regulations on internet security.” In 2021, the Ministry of Industry and Information Technology and its local branch decided that our PPDai mobile application was collecting users’ personal information in a non-compliance way. We had taken remedial measures in a timely manner and reported our rectification measures to the governmental authorities. The authorities did not take any further follow-up inquiries or investigations into the identified issues after our adoption of remedial measures. However, if the authorities identify any new non-compliance issues related to data protection or cybersecurity in the future, they may order us to make additional rectifications. If our remedial measures at that time are not satisfactory to them, we may be subject to government fines, penalties, suspension of our non-compliant operations, or removal of our app from application stores, which could materially and adversely affect our business and operating results.

On August 20, 2021, the Standing Committee of the National People’s Congress of China promulgated the Personal Information Protection Law, effective on November 1, 2021, which further details the general rules and principles on personal information processing and further increases the potential liability of personal information processor. See “Item 4. Information on the Company—B. Business Overview—Regulations in the PRC—Regulations on internet security.” Our mobile apps and websites only collect user personal information that we believe is necessary to provide the corresponding services. We update our privacy policies from time to time to meet the latest regulatory requirements of the Cyberspace Administration of China and other authorities and adopt technical measures to protect data and ensure cybersecurity in a systematic way. Nonetheless, the Personal Information Protection Law raises the protection requirements for processing personal information, and many specific requirements of the Personal Information Protection Law remain to be clarified by the Cyberspace Administration of China, other regulatory authorities, and courts in practice. If the Cyberspace Administration of China or other governmental authorities deem us as collecting excessive personal information, including the sensitive personal information, that beyond the necessity to provide the corresponding services, we will have to make adjustments to our business practices to comply with the personal information protection laws and regulations.

On January 4, 2022, the Cyberspace Administration of China, the National Development and Reform Commission, the Ministry of Industry and Information Technology, and several other administrations jointly published the amended Measures for Cybersecurity Review, which became effective on February 15, 2022. The amended Measures for Cybersecurity Review further restates and expands the applicable scope of the cybersecurity review.

On September 24, 2024, the State Council promulgated the Regulations on Network Data Security, which came into effect on January 1, 2025. These regulations introduce a new requirement for conducting risk assessments of important data. Failure to comply with these requirements could result in service suspensions, fines, revocation of relevant business permits or licenses, and other penalties.

As of the date of this annual report, we have not been involved in any formal investigations on cybersecurity review made by the Cyberspace Administration of China on such basis. In anticipation of the strengthened implementation of cybersecurity laws and regulations and the continued expansion of our business, we face potential risks if we are deemed as a critical information infrastructure operator, or if our data processing activities raise “national security” concern under the amended Measures for Cybersecurity Review. In such case, if we are not able to comply with the cybersecurity and network data security requirements in a timely manner, or at all, we may be subject to government enforcement actions and investigations, fines, penalties, suspension of our non-compliant operations, or removal of our app from the application stores, among other sanctions, which could materially and adversely affect our business and results of operations.

As we expand our business globally, we are subject to laws, regulations, contractual obligations and industry standards relating to privacy, data protection and information security, which are evolving and subject to potentially differing interpretations. There are uncertainties as to the interpretation and application of laws in one jurisdiction which may be interpreted and applied in a manner inconsistent to another jurisdiction and may conflict with our current policies and practices or require changes to the features of our system. As a result, we cannot assure that our existing user information protection system and technical measures will be considered sufficient under all applicable laws and regulations. If we are unable to address information protection concerns, manage any compromise of security that results in unauthorized disclosure or transfer of personal data, or to comply with the then applicable laws and regulations, we may incur additional costs and liabilities, leading to governmental enforcement actions, litigation, fines and penalties or adverse publicity. Any of these outcomes could harm our reputation, brand and business, cause us to incur significant expenses in defense of such proceedings, distract our management, increase our costs of doing business, or cause our borrowers and institutional partners to lose trust in us. Our business, results of operations, financial condition and prospects may be materially adversely affected as a result.

We face indirect technology, cybersecurity and operational risks relating to third parties.

We also face indirect technology, cybersecurity and operational risks relating to the third parties upon whom we rely to facilitate or enable our business activities, such as third-party online payment service providers who manage accounts for certain borrower and institutional funding partner funds. As a result of increasing consolidation and interdependence of technology systems, a technology failure, cyber-attack or other information or security breach that significantly compromises the systems of one entity could have a material impact on its counterparties. Although our agreements with third-party payment service providers provide that each party is responsible for the cybersecurity of its own systems, any cyber-attack, computer viruses, physical or electronic break-ins or similar disruptions of such third-party payment service providers could, among other things, adversely affect our ability to serve our users, and could even result in misappropriation of funds of our borrowers and institutional funding partners. If that were to occur, both we and third-party payment service providers could be held liable to borrowers and institutional funding partners who suffer losses from the misappropriation.

In addition, we use open-source software and external models, such as third-party AI solutions in our technology systems and will continue to do so in the future. Our use of open-source software and external models, including third-party AI solutions also introduces additional challenges, such as potential intellectual property disputes regarding model-generated outputs, dependence on external models whose terms or availability may change unexpectedly, quality control risks from algorithmic biases or inaccuracies and evolving regulatory requirements for AI deployment. Should these risks materialize, we may incur substantial compliance costs, face service disruptions, or need to rapidly modify our technology—any of which could adversely affect our operations and financial performance.

Our business depends on third-party service providers to interact with potential borrowers and institutional funding partners, process large numbers of transactions and support the loan collection process, all of which involve the use and disclosure of personal information. Compliance with applicable data protection laws and regulations is a rigorous and time-intensive process.

For credit assessment purposes, we obtain borrowers' credit and behavioral data information from the licensed credit reference agencies. The licensed credit reference agencies undertake that the products and service it provides to us is in compliance with applicable laws and regulations. If the licensed credit reference agencies or any of their products fails to comply with applicable data protection laws and regulations, our reputation could suffer and we could become subject to regulatory intervention.

If our ability to collect delinquent loans is impaired, our business and results of operations might be materially and adversely affected.

We primarily rely on our in-house collection team to handle the collection of delinquent loans. We also engage certain third-party collection service providers to assist us with loan collection. If our or third-party agencies' primary collection methods, such as phone calls, text messages, legal letters and legal proceedings, are not as effective as they were and we fail to respond quickly and improve our collection methods, our delinquent loan collection rate may decrease, and our investors may suffer loss. In addition, we bear credit risks for the majority of the loans funded by our institutional funding partners to borrowers we introduced. If our ability to collect delinquent loans is not as effective or efficient as expected, our liquidity, financial conditions and results of operations could be materially and adversely affected.

Moreover, according to the Notice on Regulating and Rectifying “Cash Loan” Business, promulgated by the Internet Finance Rectification Office and the Online Lending Rectification Office in December 2017, delinquent loans in China may not be collected by means of violence, intimidation, insult, defamation, or harassment. Any violation of this notice may result in penalties, including but not limited to suspension of operation, orders to make rectification, condemnation, revocation of license, orders to cease business operations, and even criminal liabilities. If the collection methods we use in collecting delinquent loans are viewed by the borrowers or regulatory authorities as harassments, threats or other illegal conducts, we may be subject to lawsuits initiated by the borrowers or prohibited by the regulatory authorities from using certain collection methods. If this were to happen and we fail to adopt alternative collection methods in a timely manner or the alternative collection methods are proven not effective, we might not be able to maintain our delinquent loan collection rate and the investors’ confidence in our platforms may be negatively affected.

In recent years, governmental authorities have implemented a more stringent regulatory framework for loan collection activities. Several public security authorities in different provinces of China took actions against some loan collection outsourcing companies, and even criminal cases were reported to have been charged against some of them. More recently, on February 1, 2026, the China Banking Association issued the Guidelines for Financial Institutions on the Collection of Personal Consumer Loans (Interim), which, with limited exceptions, prohibits contacting the designated liaison persons of defaulting borrowers and imposes restrictions on the timing and frequency of communications with them. We have established strict implementation policies to ensure that our collection personnel and third-party collection service providers do not engage in aggressive practices. However, our in-house collection team is large, and we cannot assure that each member will strictly comply with our policies. Furthermore, we have no direct control over the management of third-party collection service providers. If any practices by our in-house collection team members or our third-party collection service providers are deemed by governmental authorities as aggressive collection or soft violence, our reputation and business could be materially and adversely affected. If any of the foregoing takes place and impairs our ability to cooperate with our institutional funding partners, the transaction volumes on our platforms will decrease, and our business and results of operations could be materially and adversely affected.

Cyber-attacks, computer viruses, physical or electronic break-ins or similar disruptions of us or of a third party could result in disclosure or misuse of confidential information and misappropriation of funds of our borrowers and institutional funding partners, subject us to liabilities, cause reputational harm and adversely impact our results of operations and financial condition.

Our computer system and data storage facilities, the networks we use, the networks of other third parties with whom we interact, are potentially vulnerable to physical or electronic computer break-ins, viruses and similar disruptive problems or security breaches. A party that is able to circumvent our security measures could misappropriate proprietary information or customer information, jeopardize the confidential nature of the information we transmit over the internet and mobile network or cause interruptions in our operations. We or our service providers may be required to invest significant resources to protect against the threat of security breaches or to alleviate problems caused by any breaches.

In addition, our platforms collect, store, and process certain personal and other sensitive data from our borrowers. The data that we have processed and stored makes us or third-party service providers who host our servers a target and potentially vulnerable to cyber-attacks, computer viruses, physical or electronic break-ins or similar disruptions. While we have taken steps to protect the confidential information that we have access to and put in place internal reporting procedures relating to cybersecurity incidents, our security measures could be breached. As of the date of this annual report, we have not experienced any material cyber security incidents. However, we cannot assure you that our security measures will not be breached in the future. 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 platforms could cause confidential borrower and institutional funding partner information to be stolen and used for criminal purposes.

We also face indirect technology, cybersecurity and operational risks relating to the third parties upon whom we rely to facilitate or enable our business activities, including, among others, third-party online payment service providers who manage accounts for certain borrower and institutional funding partner funds. As a result of increasing consolidation and interdependence of technology systems, a technology failure, cyber-attack or other information or security breach that significantly compromises the systems of one entity could have a material impact on its counterparties. Although our agreements with third-party payment service providers provide that each party is responsible for the cybersecurity of its own systems, any cyber-attack, computer viruses, physical or electronic break-ins or similar disruptions of such third-party payment service providers could, among other things, adversely affect our ability to serve our users, and could even result in misappropriation of funds of our borrowers and institutional funding partners. If that were to occur, both we and third-party payment service providers could be held liable to borrowers and institutional funding partners who suffer losses from the misappropriation.

Security breaches or unauthorized access to or sharing of confidential information could also expose us to liability related to the loss of the information, time-consuming and expensive litigation and negative publicity. In addition, leakages of confidential information may be caused by third-party service providers or business partners. If security measures are breached because of third-party action, employee misconduct or error, failure in information security management, malfeasance or otherwise, or if design flaws in our technology infrastructure are exposed and exploited, our relationships with borrowers, institutional funding partners and business partners could be severely damaged, we may become susceptible to future claims if our borrowers, institutional funding partners or business partners suffer damages, and could incur significant liability, and our business and operations could be adversely affected.

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

If any of our institutional funding partners fails to comply with applicable anti-money laundering laws and regulations, it could become subject to regulatory intervention or sanction and its business may be adversely affected, which could further have a material adverse effect on our reputation, business financial condition and results of operations.

In addition, we currently rely on the third-party service providers, in particular payment companies, that manage the transfer of funds between borrowers and institutional funding partners, to appropriately design and adopt their own appropriate anti-money laundering policies and procedures. The payment companies are subject to anti-money laundering obligations under applicable anti-money laundering laws and regulations and are regulated by competent regulatory authorities. If any of our third-party service providers fails 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.

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

We are subject to reporting obligations under the U.S. securities laws. The SEC, as required by Section 404 of the Sarbanes-Oxley Act of 2002, adopted rules requiring every public company to include a management report on such company's internal control over financial reporting in its annual report, which contains management's assessment of the effectiveness of our internal control over financial reporting. As we are no longer an emerging growth company, we are subject to the requirement that an independent registered public accounting firm must attest to and report on the effectiveness of our internal control over financial reporting.

Our management, with the participation of our chief executive officer and chief financial officer, has performed an evaluation of the effectiveness of our disclosure controls and procedures (as defined in Rule 13a-15(e) under the Exchange Act) and internal control over financial reporting (as defined in Rule 13a-15(f) under the Exchange Act) as of the end of the period covered by this annual report, as required by Rule 13a-15(b) through (c) under the Exchange Act. Based upon that evaluation, our management has concluded that our internal control over financial reporting was effective as of December 31, 2025. Our independent registered public accounting firm, PricewaterhouseCoopers Zhong Tian LLP, also attested and reported our internal control over financial reporting. See the attestation report on page F-2 issued by our independent registered public accounting firm for further details. However, if we fail to maintain effective internal control over financial reporting in the future, 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 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. 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 platforms. 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 platforms, in our computer systems or third-party service providers' systems, including events beyond our control, could prevent us from processing or posting loans on our platforms, reduce the attractiveness of our platforms 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 loan applications or make funds available on our platforms would be materially and adversely affected. The satisfactory performance, reliability and availability of our platforms and our underlying network infrastructure are critical to our operations, customer service, reputation and our ability to retain existing and attract new borrowers and institutional funding partners. Much of our system hardware is hosted in a leased facility located in Shanghai that is operated by our IT staff. We also maintain a real-time backup system in the same facility and a remote backup system at a separate facility also located in Shanghai. Our operations depend on our ability to protect our systems against damage or interruption from natural disasters, power or telecommunications failures, air quality issues, environmental conditions, computer viruses or attempts to harm our systems, criminal acts and similar events. If there is a lapse in service or damage to our leased facilities in Shanghai, we could experience interruptions and delays in our service and may incur additional expense in arranging new facilities.

Any interruptions or delays in our service, whether as a result of third-party or our error, natural disasters or security breaches, whether accidental or willful, could harm our relationships with our borrowers and institutional funding partners 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 institutional funding partners to abandon our platforms, any of which could adversely affect our business, financial condition and results of operations.

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

Our platforms and internal systems rely on software that is highly technical and complex. In addition, our platforms 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 institutional funding partners using our platforms, 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. See also “Item 4. Information on the Company—B. Business Overview—Intellectual Property.” Despite these measures, any of our intellectual property rights could be challenged, invalidated, circumvented or misappropriated, or such intellectual property may not be sufficient to provide us with competitive advantages. 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 may be difficult to maintain and enforce intellectual property rights in certain markets where we operate. Statutory laws and regulations may be 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 certain markets where we operate. 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 the markets where we operate. 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 intellectual property right laws and the procedures and standards for granting trademarks, patents, copyrights, know-how or other intellectual property rights in certain markets where we operate are still evolving and are uncertain, and we cannot assure you that the courts or regulatory authorities in certain markets where we operate would agree with our analysis. If we were found to have violated the intellectual property rights of others, we may be subject to liability for our infringement activities or may be prohibited from using such intellectual property, and we may incur licensing fees or be forced to develop alternatives of our own. As a result, our business and results of operations may be materially and adversely affected.

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

We offer consumer finance products in China mainly through our mobile applications, which are regulated by the Administrative Provisions on Mobile Internet Applications Information Services. This regulation was promulgated by the Cyberspace Administration of China on June 28, 2016, and amended on June 14, 2022. It states that providers of mobile applications may not create, copy, publish, or distribute information and content prohibited by laws and regulations. We have implemented internal control procedures to screen the information and content on our mobile applications to ensure compliance with this regulation. However, we cannot assure that all information or content displayed on, retrieved from, or linked to our mobile applications complies with the requirements at all times. If our mobile applications were found to violate any requirement under this regulation, we may be subject to administrative penalties, including warnings, service suspension, or removal of our mobile applications from mobile application stores, which could materially and adversely affect our business and operating results.

We may from time to time be subject to claims, controversies, lawsuits and legal proceedings, which could have a material adverse effect on our financial condition, results of operations, cash flows and reputation.

We may from time to time become subject to or involved in various claims, controversies, lawsuits, and legal proceedings. See “Item 8. Financial Information—Legal Proceedings” for more details. Claims, lawsuits, and litigations are subject to inherent uncertainties, and we are uncertain whether the foregoing claim would develop into a lawsuit. Lawsuits and litigations may cause us to incur defense costs, utilize a significant portion of our resources and divert management’s attention from our day-to-day operations, any of which could harm our business. Any settlements or judgments against us could have a material adverse impact on our financial condition, results of operations and cash flows. In addition, negative publicity regarding claims or judgments made against us may damage our reputation and may result in material adverse impact on us.

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

We may, from time to time, identify strategic partners to form strategic alliances, invest in or acquire additional assets, technologies or businesses that are complementary to our existing business. These transactions may involve minority investments in other companies, acquisitions of controlling stakes in other companies or acquisitions of selected assets. In October 2025, we acquired a licensed lender in Australia which holds an Australian Credit Licence from the Australian Securities and Investments Commission (ASIC), to further advance our globalization strategy into developed markets.

Any strategic alliances, investments or acquisitions and the subsequent integration of the new assets and businesses obtained or developed from such transactions into our own businesses will involve risks commonly encountered in business relationships, including:

- 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;
- difficulties in assimilating and integrating the operations, personnel, systems, data, technologies, rights, platforms, 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 daily operations;
- difficulties in maintaining uniform standards, controls, procedures and policies within the combined organizations;
- difficulties in retaining relationships with customers, employees and business partners of the acquired business;
- risks of entering markets in which we have limited or no prior experience;
- 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 choose not to pursue investments or acquisitions, or any future investments or acquisitions we undertake may fail to achieve their intended objectives. These efforts might not align with our business strategy, generate sufficient revenue to offset associated costs, or deliver the expected benefits. Furthermore, we cannot guarantee that future investments in or acquisitions of new businesses or technologies will successfully lead to the development of new or improved loan products and services. Even if such products or services are developed, there is no assurance they will gain market acceptance or prove profitable.

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 any 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 or we may be unable to enforce them at all.

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

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

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

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

As of December 31, 2025, we had 3,869 employees, and most of them were based in China. We may need to increase our employee compensation and benefits levels and offer more favorable working conditions to remain competitive in attracting and retaining talented employees. In addition, we are required 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 in China. We expect that our labor costs, including wages and employee benefits, may continue to increase. Unless we are able to control our labor costs or pass on these increased labor costs to our borrowers or institutional funding investors by increasing the fees of our services, our financial condition and results of operations may be adversely affected.

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

We are subject to rules and regulations by various governing bodies, including, for example, the SEC, 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 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.

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 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 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 widespread health epidemics or other outbreaks or natural disasters, which could significantly disrupt our operations.

Our business could be materially and adversely affected by the outbreak of a widespread health epidemic, such as COVID-19, swine flu, avian influenza, severe acute respiratory syndrome, Ebola and Zika. Such an outbreak could require our employees to be quarantined or our offices to be disinfected or temporarily closed. Our operations could also be disrupted if any of our employees are suspected of having contracted any of the foregoing diseases, as this could trigger quarantine measures and office disinfection requirements. In addition, our results of operations could be adversely affected to the extent that any such epidemic harms the Chinese economy or the global economy more broadly. Outbreaks in China or globally may negatively impact overall economic conditions and businesses, leading to reduced consumer spending, particularly on discretionary items. Any epidemic may cause reduced domestic consumption, higher unemployment, significant disruptions in exports, and increased economic uncertainty in the countries and regions where we operate, all of which could materially impact our business. Furthermore, individuals may be less inclined to borrow, and borrowers may have a reduced ability or willingness to repay their loans due to the economic challenges caused by an epidemic, which could in turn affect our credit quality.

We are also vulnerable to natural disasters and other calamities. Fire, floods, typhoons, earthquakes, power loss, telecommunications failures, break-ins, war, riots, terrorist attacks or similar events may give rise to server interruptions, breakdowns, system failures, technology platform failures or internet failures, which could cause the loss or corruption of data or malfunctions of software or hardware as well as adversely affect our ability to provide products and services on our platforms. In addition, our revenue and profitability could be materially reduced to the extent that a natural disaster, health epidemic or other outbreak or any change in policy in response to such event harms the global or local economy in general.

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

Risks Related to Our Corporate Structure

If the PRC government deems that the contractual arrangements regarding the 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, except otherwise regulated, foreign investors are not allowed to own more than 50% of the equity interests in a value-added telecommunications service provider (except for e-commerce, domestic multi-party communications, storage and forwarding classes, and call centers).

We are a Cayman Islands company and our PRC subsidiaries are considered foreign invested enterprises. There has been no official guidance or interpretation from the PRC government clarifying which category of value-added telecommunication services our business falls into. However, we believe the online consumer finance services we provide in China may constitute a type of value-added telecommunication service that is subject to restrictions on foreign ownership and investment. Therefore, to comply with PRC laws, regulations and regulatory requirements, we set up a series of contractual arrangements entered into among some of our PRC subsidiaries, the consolidated variable interest entities, and their shareholders to conduct some of our operations in China. For more detailed about these contractual arrangements, see “Item 4. Information on the Company—C. Organizational Structure—Contractual Arrangements.” As a result of these contractual arrangements, we are able to direct the activities of the operation of the consolidated variable interest entities and their subsidiaries and consolidate their operating results in our financial statements under U.S. GAAP.

In the opinion of our PRC counsel, Hui Ye Law Firm, our current structures of the consolidated variable interest entities and our WFOEs are not in violation of existing PRC laws, regulations and rules, and these contractual arrangements are valid, binding and enforceable in accordance with their terms and applicable PRC laws and regulations currently in effect.

We are a Cayman Islands holding company with no equity ownership in the consolidated variable interest entities, and our operations in China are primarily through the consolidated variable interest entities with which we have maintained contractual arrangements. Holders of our ADSs hold equity interest in FinVolution Group, our Cayman Islands holding company, and do not have direct or indirect equity interest in the consolidated variable interest entities and their subsidiaries. If the PRC government deems that our contractual arrangements with the 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 or are interpreted differently in the future, we could be subject to severe penalties or be forced to relinquish our interests in those operations. We may not be able to repay the notes and other indebtedness, and our ADSs may decline in value or become worthless, if we are unable to assert our contractual control rights over the assets of the consolidated variable interest entities, which contribute to 71.1% of our revenues in 2025. Our holding company in the Cayman Islands, the consolidated variable interest entities, and investors of our company face uncertainty about potential future actions by the PRC government that could affect the enforceability of the contractual arrangements with the consolidated variable interest entities and, consequently, significantly affect the financial performance of the consolidated variable interest entities and our company as a group.

However, our PRC counsel, Hui Ye Law Firm, has also advised us that there are 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.

Although we believe we, our PRC subsidiaries and the consolidated variable interest entities comply with current PRC laws and regulations, we cannot assure you that the PRC government would agree that our contractual arrangements comply with PRC licensing, registration or other regulatory requirements, with existing policies or with requirements or policies that may be adopted in the future. The PRC government may have broad discretion in determining rectifiable or punitive measures for non-compliance with or violations of PRC laws and regulations. If the PRC government determines that we or the consolidated variable interest entities do not comply with applicable law, it could revoke the consolidated variable interest entities' business and operating licenses, require the consolidated variable interest entities to discontinue or restrict the consolidated variable interest entities' operations, restrict the consolidated variable interest entities' right to collect revenues, block the consolidated variable interest entities' websites, require the consolidated variable interest entities to restructure our operations, impose additional conditions or requirements with which the consolidated variable interest entities may not be able to comply, impose restrictions on the consolidated variable interest entities' business operations or on their customers, or take other regulatory or enforcement actions against the consolidated variable interest entities that could be harmful to their business. Any of these or similar occurrences could significantly disrupt our or the consolidated variable interest entities' business operations or restrict the consolidated variable interest entities from conducting a substantial portion of their business operations, which could materially and adversely affect the consolidated variable interest entities' business, financial condition and results of operations. If any of these occurrences results in our inability to direct the activities of operation of any of the consolidated variable interest entities that most significantly impact its economic performance, or our failure to receive the economic benefits from any of the consolidated variable interest entities, we may not be able to consolidate these entities in our consolidated financial statements in accordance with U.S. GAAP.

We face uncertainties with respect to the implementation of the Foreign Investment Law of the PRC 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 enacted the Foreign Investment Law of the PRC, which replaced the previous laws regulating foreign investment in China. The Foreign Investment Law of the PRC embodies an expected trend in PRC regulatory policy to rationalize its foreign investment regulatory regime in line with prevailing international practices and legislative efforts to unify corporate legal requirements for both foreign and domestic investments. However, uncertainties still exist regarding its interpretation and implementation. In particular, under the Foreign Investment Law of the PRC, "foreign investment" refers to 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 activity under the definition in the future. Additionally, 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. On December 26, 2019, the State Council promulgated the Implementation Regulations on the Foreign Investment Law of the PRC, but this regulation still does not explicitly define whether contractual arrangements would be deemed as a form of foreign investment. 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.

We cannot rule out the possibility that control through contractual arrangement may be regarded as a form of control made by foreign investors, and therefore require approval from the competent governmental authorities. 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 promulgated 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.

We rely on contractual arrangements with the consolidated variable interest entities for a significant portion of our business operations, and such contractual arrangements may not be as effective as equity ownership in providing operational control.

We have relied and expect to continue to rely on contractual arrangements with the consolidated variable interest entities to operate our online consumer finance platform business in China. For a description of these contractual arrangements, see “Item 4. Information on the Company—C. Organizational Structure.” Revenues contributed by the consolidated variable interest entities and their respective subsidiaries accounted for 78.6%, 75.0% and 71.1% of our total revenues for 2023, 2024 and 2025, respectively. These contractual arrangements may not be as effective as equity ownership in providing us with control over the consolidated variable interest entities. For example, the consolidated variable interest entities and its shareholders could breach their contractual arrangements with us by, among other things, failing to conduct their operations in an acceptable manner or taking other actions that are detrimental to our interests.

If we had direct ownership of the consolidated variable interest entities, we would be able to exercise our rights as a shareholder to effect changes in the board of directors of the 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 of obligations under the contractual arrangements by the consolidated variable interest entities, shareholders of the consolidated variable interest entities, and other parties to the contractual arrangements to direct the activities of operation of the consolidated variable interest entities. The shareholders of the 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 the consolidated variable interest entities. Although we have the right to replace any shareholder of the consolidated variable interest entities under the contractual arrangements, if any of these shareholders are uncooperative or any dispute relating to these contracts remains unresolved, we will have to enforce our rights under these contracts through the operations of PRC laws and arbitration, litigation and other legal proceedings, the outcome of which will be subject to uncertainties. See “—Any failure by the consolidated variable interest entities, shareholders of the consolidated variable interest entities or other parties to perform their obligations under our contractual arrangements with them would have a material adverse effect on our business.” Therefore, our contractual arrangements with the consolidated variable interest entities and shareholders of the consolidated variable interest entities may not be as effective in ensuring our control over our business operations as equity ownership would be.

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

If the consolidated variable interest entities or their shareholders fail to perform their respective obligations under the contractual arrangements, we may incur substantial costs and expend additional resources to enforce such arrangements. We may also have to rely on legal remedies under PRC laws, including seeking specific performance or injunctive relief, and claiming damages, which we cannot assure you will be effective under PRC laws. For example, if the shareholders of the consolidated variable interest entities were to refuse to transfer their equity interests in the consolidated variable interest entities to us or our designee when we exercise the purchase option pursuant to these contractual arrangements, or if they were otherwise to act in bad faith toward us, then we may have to take legal 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 evolving rapidly. The interpretations of many laws, regulations, and rules may exhibit inconsistencies, and the enforcement of these laws, regulations, and rules may also involve uncertainties. 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 direct the activities of operation of the consolidated variable interest entities and their respective subsidiaries, and our ability to conduct our business may be negatively affected. See “—Risks Related to Doing Business in China—Uncertainties in the interpretation and enforcement of PRC laws and regulations could limit the legal protections available to us.”

The shareholders of the 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 the consolidated variable interest entities are held by Mr. Jun Zhang, Mr. Tiezheng Li, Mr. Honghui Hu and Mr. Shaofeng Gu, our co-founders and shareholders, as well as a few of their family relatives. Their interests in the consolidated variable interest entities may differ from the interests of our company as a whole. These shareholders may breach, or cause the consolidated variable interest entities to breach, the existing contractual arrangements we have with them and the consolidated variable interest entities, which would have a material adverse effect on our ability to direct the activities of operation of the consolidated variable interest entities and their subsidiaries and receive economic benefits from them. For example, the shareholders of Beijing Paipairongxin, one of the consolidated variable interest entities, may be able to cause our agreements with Beijing Paipairongxin and Shanghai PPDai, a major subsidiary of Beijing Paipairongxin, 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 call option agreement with these shareholders to request them to transfer all of their equity interests in the 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 the 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 with the consolidated variable interest entities may be subject to scrutiny by the PRC tax authorities and they may determine that we or the consolidated variable interest entities owe additional taxes, which could negatively affect our financial condition and the price of our ADSs.

Under applicable PRC laws and regulations, arrangements and transactions among related parties may be subject to audit or challenge by the PRC tax authorities. We may face material and adverse tax consequences if the PRC tax authorities determine that the contractual arrangements among the consolidated variable interest entities, shareholders of the consolidated variable interest entities and us as well as other parties were not entered into on an arm's length basis in such a way as to result in an impermissible reduction in taxes under applicable PRC laws, regulations and rules, and adjust the consolidated variable interest entities' income 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 the consolidated variable interest entities for PRC tax purposes, which could in turn increase their tax liabilities without reducing our tax expenses. In addition, if we request the shareholders of the consolidated variable interest entities to transfer their equity interests in the consolidated variable interest entities at nominal or no value pursuant to these contractual arrangements, such transfer could be viewed as a gift and subject us to PRC income tax. Furthermore, the PRC tax authorities may impose late payment fees and other penalties on the 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 the 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 enjoy assets held by the consolidated variable interest entities that are material to the operation of our business if any consolidated variable interest entity goes bankrupt or becomes subject to a dissolution or liquidation proceeding.

The consolidated variable interest entities and their subsidiaries hold certain assets that are material to the operation of our business, including, among others, intellectual properties, hardware and software. Under the contractual arrangements, the consolidated variable interest entities may not, and the shareholders of the consolidated variable interest entities 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 that the shareholders of the consolidated variable interest entities breach these contractual arrangements and voluntarily liquidate the consolidated variable interest entities, or the consolidated variable interest entities declare bankruptcy and all or part of their assets become subject to liens or rights of third-party creditors, or are otherwise disposed of without our consent, we may be unable to continue some or all of our business activities, which could materially and adversely affect our business, financial condition and results of operations. If the consolidated variable interest entities undergo 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.

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.

The majority 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 degree of government involvement, level of development, growth rate, control of foreign exchange and allocation of resources. Although the Chinese government has implemented measures emphasizing the utilization of market forces for economic reform, the reduction of state ownership of productive assets and the establishment of improved corporate governance in business enterprises, a substantial portion of productive assets in China are still owned or controlled 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, the growth rate has gradually slowed since 2010, and 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. Any prolonged slowdown in the Chinese economy may reduce the demand for our products and services and materially and adversely affect our business and results of operations.

A severe or prolonged downturn in the Chinese or global economy, any adverse policy change targeting China, protracted geopolitical tensions between China and other countries, or any financial or economic crisis—or even the perceived threat of such a crisis—could materially and adversely affect our business and financial condition.

Developments regarding tariffs between China and other countries and regions may potentially affect our business development and performance in the countries and regions where we operate. In particular, tensions between the United States and China in recent years have led to additional or higher tariffs imposed by the United States on products imported from China and restrictions on the sale of certain products into the United States. China has responded by imposing, and proposing to impose, additional or higher tariffs on products imported from the United States, among other measures. There remains considerable uncertainty regarding future tariff rates and the trajectory of U.S.-China trade relations.

Furthermore, COVID-19 had a severe and negative impact on the Chinese and the global economy from 2020 through 2022, and the global macroeconomic environment still faces numerous challenges. The growth rate of the Chinese economy has been slowing since 2010 and the Chinese population began to decline in 2022. The Russia-Ukraine conflict, the Hamas-Israel conflict, the conflict in the Persian Gulf and surrounding areas, and the restrictions at various times on shipping through the straits of Hormuz and the Red Sea have heightened geopolitical tensions across the world. Regional conflicts have contributed to increases in food and energy prices and thus to inflation more generally. Economic conditions in China are sensitive to global economic trends, as well as to changes in domestic economic and political policies and the expected or perceived overall economic growth rate in China. Any severe or prolonged slowdown in the global or Chinese economy may reduce demand for consumer loans and investments, and could materially and adversely affect our business, results of operations, and financial condition.

On October 28, 2024, the U.S. Department of the Treasury issued a final rule on outbound investment, or the Outbound Investment Rule, to implement the executive order of August 9, 2023 which became effective on January 2, 2025. The Outbound Investment Rule imposes investment prohibition and notification requirements on U.S. persons for a wide range of investments in entities associated with China (including Hong Kong and Macau), collectively defined as “Covered Foreign Persons,” that are engaged in activities relating to three sectors: (i) semiconductors and microelectronics, (ii) quantum information technologies, and (iii) artificial intelligence systems. U.S. persons subject to the Outbound Investment Rule are prohibited from making, or required to report, certain investments in Covered Foreign Persons, which are defined as “covered transactions.” If we were to be deemed a Covered Foreign Person, our ability to raise capital would be significantly and negatively affected. In such case, the trading prices of our ADSs and/or our Class A ordinary shares may be materially and adversely affected and the value of our securities may decline significantly. In addition, on December 18, 2025, the Comprehensive Outbound Investment National Security Act of 2025, or the COINS Act, was enacted as part of the National Defense Authorization Act for Fiscal Year 2026. The COINS Act largely preserves the core framework of the Outbound Investment Rule while expanding its scope and coverage in certain respects such as expanding covered activities in high-performance computing and supercomputing and hypersonic systems and including more countries of concern. The COINS Act will not become effective until the U.S. Department of the Treasury issues implementing regulations, which must be promulgated through notice-and-comment rulemaking and no later than March 13, 2027. Accordingly, the Treasury may amend, expand or otherwise modify existing outbound investment prohibitions and restrictions pursuant to the COINS Act.

Furthermore, there have been media reports on deliberations within the U.S. government regarding potentially limiting or restricting China-based companies from accessing U.S. capital markets, and delisting China-based companies from U.S. national securities exchanges. If any such deliberations were to materialize, the share price of China-based issuers listed in the United States such as us would be materially and adversely affected. The risk and uncertainty associated with such deliberations could also have a negative impact on the price of our ADSs and/or the notes. Also, a prohibition against our securities trading in the United States or any threat thereof could significantly affect our ability to raise capital on terms acceptable to us, or at all, which would have a material adverse impact on our business, financial condition, and prospects.

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

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

In particular, PRC laws and regulations concerning the online consumer finance industry are still developing and evolving. Although we have taken measures to comply with the laws and regulations that are applicable to our business operations, including the regulatory principles raised by the China Banking and Insurance Regulatory Commission, and avoid conducting any non-compliant activities under the applicable laws and regulations, such as providing guarantee to institutional funding partners or sharing borrowers’ personal information with institutional funding partners directly, the PRC government authority may promulgate new laws and regulations regulating the online consumer finance industry in the future. We cannot assure you that our business operations would not be deemed to violate any new PRC laws or regulations relating to online consumer finance. Moreover, developments in the online consumer finance industry may lead to changes in PRC laws, regulations and policies or in the interpretation and application of existing laws, regulations and policies, which in turn may limit or restrict online consumer finance platforms like us and 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.

The PRC government has significant oversight over the conduct of our business and it has exerted more oversight over offerings that are conducted overseas and/or foreign investment in China-based issuers. Any such action could significantly limit or completely hinder our ability to offer or continue to offer securities to investors and cause the value of such securities to significantly decline or be worthless.

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 the consolidated variable interest entities. Such corporate structure may subject us to sanctions, compromise the enforceability of related contractual arrangements, which may result in significant disruption to our business 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 the Cyberspace Administration of China (with the involvement of the State Council Information Office, the Ministry of Industry and Information Technology, and the Ministry of Public Security). The primary role of this agency is to facilitate the policy-making and legislative development in this field, to direct and coordinate with different departments in connection with online content administration and to deal with cross-ministry regulatory matters for the internet industry.

Our ppdai.com website and PPDai mobile application, operated by Shanghai PPDai, a subsidiary of Beijing Paipairongxin, one of the consolidated variable interest entities, may be considered to provide internet content provision services, as well as online data processing or transaction processing services. As a result, Shanghai PPDai may need to obtain certain value-added telecommunications business licenses. For more detailed information, see “Item 3. Key Information—D. Risk Factors—Risks Related to Our Business—Any failure to comply with existing or future laws and regulations related to data protection, data security, cybersecurity or personal information protection could lead to liabilities, administrative penalties or other regulatory actions, which could negatively affect our operating results and business.”

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 the related 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.

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

The majority of our operations are located in China, which are governed by PRC laws and regulations. The PRC government has significant oversight and discretion over the conduct of our business, and may influence our operations as the government deems appropriate to advance regulatory and societal goals and policy positions. Historically, the PRC government had published new regulations and policies that significantly affected our industry. For example, we modified our business model and practices in the past as a result of changes in laws, regulations. See “Item 3. Key Information—D. Risk Factors—Risks Related to Our Business—We have modified our business model and practices in the past as a result of changes in laws, regulations, policies, measures and guidance. We may further change our business model or practices in the future, which may not be successful ultimately.” Additionally, we have adjusted our practices for transmission of borrowers’ personal information following the promulgation of regulations related to “disconnecting direct connection.” See “Item 3. Key Information—D. Risk Factors—Risks Related to Our Business—The laws and regulations governing online consumer finance industry in China are developing and evolving and subject to changes. If our business practices are deemed to violate any existing and future applicable laws, regulations or requirements of local regulatory authorities, our business, financial condition and results of operations would be materially and adversely affected.”

We cannot rule out the possibility that the PRC government will release additional regulations or policies in the future that directly or indirectly affect our industry or require us to seek additional permission to continue our operations, which could result in a material adverse change in our operation and/or the value of our ADSs. In addition, implementation of industry-wide regulations directly targeting our operations could cause the value of our securities to significantly decline. Therefore, investors of our company and our business face potential uncertainty from actions taken by the PRC government affecting our business.

We may 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 and adverse effect on our ability to conduct our business.

We are a holding company, and we may rely on dividends and other distributions on equity paid by our PRC subsidiaries for our cash and financing requirements, including the funds necessary to pay dividends and other cash distributions to our shareholders and service any debt we may incur. If our PRC subsidiaries incur debt on their own behalf in the future, the instruments governing the debt may restrict their ability to pay dividends or make other distributions to us. In addition, the PRC tax authorities may require our PRC subsidiaries to adjust its taxable income under the contractual arrangements it currently has in place with the consolidated variable interest entities in a manner that would materially and adversely affect their ability to pay dividends and other distributions to us. See “Item 3. Key Information—D. Risk Factors—Risks Related to Our Corporate Structure—Contractual arrangements with the consolidated variable interest entities may be subject to scrutiny by the PRC tax authorities and they may determine that we or the consolidated variable interest entities owe additional taxes, which could negatively affect our financial condition and the price of our ADSs.”

Under PRC laws and regulations, our PRC subsidiaries, which are foreign-owned enterprises, may pay dividends only out of its accumulated profits as determined in accordance with PRC accounting standards and regulations. In addition, a foreign-owned enterprise is required to set aside at least 10% of its accumulated after-tax profits each year, if any, to fund a certain statutory reserve fund, until the aggregate amount of such fund reaches 50% of its registered capital. Such reserve funds cannot be distributed to us as dividends. Some of our subsidiaries are required to allocate general risk reserves prior to the distribution of dividends.

Our PRC subsidiaries generate substantially all of their revenue in Renminbi, which is not freely convertible into other currencies. As a result, any restriction on currency exchange may limit the ability of our PRC subsidiary to use its Renminbi revenues to pay dividends to us.

The PRC government may continue to strengthen its capital controls, and more restrictions and substantial vetting process may be put forward by the State Administration of Foreign Exchange, or SAFE, for cross-border transactions falling under both the current account and the capital account. For instance, the People's Bank of China issued the Circular on Further Clarification of Relevant Matters Relating to Offshore RMB Loans Provided by Domestic Enterprises on November 22, 2016, which stipulates that offshore RMB loans provided by a domestic enterprise to offshore enterprises in which it holds equity interests may not exceed 30% of such equity interests. Such regulations may constrain the ability of our PRC subsidiaries to provide offshore loans to us. Any limitation on the ability of our PRC subsidiary to pay dividends or make other kinds of payments 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.

In addition, the Enterprise Income Tax Law of the PRC and its implementation rules provide that a withholding tax rate of up to 10% will be applicable to dividends payable by Chinese companies to non-PRC-resident enterprises unless otherwise exempted or reduced according to treaties or arrangements between the PRC central government and governments of other countries or regions where the non-PRC-resident enterprises are incorporated.

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 offshore financing to make loans to or make additional capital contributions to our PRC subsidiaries, which could materially and adversely affect our liquidity and our ability to fund and expand our business.

Any funds we transfer to our PRC subsidiaries, either as a shareholder loan or as an increase in registered capital, are subject to approval by or registration with governmental authorities in China. According to the PRC regulations on foreign-invested enterprises in China, capital contributions to our PRC subsidiaries are subject to the requirement of making necessary filings in the foreign investment comprehensive management information system, and registration with other governmental authorities in China. In addition, any foreign loan procured by our PRC subsidiaries is required to be registered with SAFE, or its local branches, and each of our PRC subsidiaries may not procure loans which exceed the difference between its registered capital and its total investment amount as recorded in the foreign investment comprehensive management information system. Any medium-term or long-term loan to be provided by us to any of the consolidated variable interest entities must be recorded and registered by the National Development and Reform Committee and SAFE or its local branches.

SAFE promulgated the Notice of the State Administration of Foreign Exchange on Reforming the Administration of Foreign Exchange Settlement of Capital of Foreign-invested Enterprises, or SAFE Circular 19, effective June 2015, in replacement of the Circular on the Relevant Operating Issues Concerning the Improvement of the Administration of the Payment and Settlement of Foreign Currency Capital of Foreign-Invested Enterprises, the Notice from the State Administration of Foreign Exchange on Relevant Issues Concerning Strengthening the Administration of Foreign Exchange Businesses, and the Circular on Further Clarification and Regulation of the Issues Concerning the Administration of Certain Capital Account Foreign Exchange Businesses. According to SAFE Circular 19, the flow and use of the RMB capital converted from foreign currency-denominated registered capital of a foreign-invested company is regulated such that RMB capital may not be used for the issuance of RMB entrusted loans, the repayment of inter-enterprise loans or the repayment of banks loans that have been transferred to a third party. Although SAFE Circular 19 allows RMB capital converted from foreign currency-denominated registered capital of a foreign-invested enterprise to be used for equity investments within China, it also reiterates the principle that RMB converted from the foreign currency-denominated capital of a foreign-invested company may not be directly or indirectly used for purposes beyond its business scope. Thus, it is unclear whether SAFE will permit such capital to be used for equity investments in China in actual practice. SAFE promulgated the Notice of the State Administration of Foreign Exchange on Reforming and Standardizing the Foreign Exchange Settlement Management Policy of Capital Account, or SAFE Circular 16, effective on June 9, 2016, which reiterates some of the rules set forth in SAFE Circular 19, but changes the prohibition against using RMB capital converted from foreign currency-denominated registered capital of a foreign-invested company to issue RMB entrusted loans to a prohibition against using such capital to issue loans to non-associated enterprises. Violations of SAFE Circular 19 and SAFE Circular 16 could result in administrative penalties. SAFE Circular 19 and SAFE Circular 16 may significantly limit our ability to transfer any foreign currency we hold, including the net proceeds from our initial public offering, to our PRC subsidiary, which may adversely affect our liquidity and our ability to fund and expand our business in China.

On October 25, 2019, SAFE promulgated the Notice for Further Advancing the Facilitation of Cross-border Trade and Investment, which allows all foreign-invested companies to use Renminbi converted from foreign currency-denominated capital for equity investments in China, as long as the equity investment is genuine, does not violate applicable laws, and complies with the negative list on foreign investment. However, since this regulation is newly promulgated, it is unclear how SAFE and competent banks will carry this out in practice.

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 or filings on a timely basis, if at all, with respect to future loans that we provide to our PRC subsidiaries or the consolidated variable interest entities or with respect to future capital contributions that we provide to our PRC subsidiaries. If we fail to complete such registrations or obtain such approvals, our ability to use the proceeds from our offshore financing 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 have a material and adverse effect on our results of operations and the value of your investment.

The conversion of Renminbi into other currencies, including U.S. dollars, is based on rates set by the People's Bank of China. The Renminbi has fluctuated against the U.S. dollar, at times significantly and unpredictably. The value of Renminbi against the U.S. dollar and other currencies is affected by changes in China's political and economic conditions and by China's foreign exchange policies, among other things. We cannot assure you that Renminbi will not appreciate or depreciate significantly in value against the U.S. dollar in the future. It is difficult to predict how market forces or PRC or U.S. government policy may impact the exchange rate between Renminbi and the U.S. dollar in the future.

We receive the majority of our net revenues in Renminbi. Any significant appreciation or depreciation of Renminbi may materially and adversely affect our revenues, earnings and financial position, and the value of, and any dividends payable on, our ADSs in U.S. dollars. For example, to the extent that we need to convert U.S. dollars we receive into Renminbi to pay our operating expenses in China, appreciation of Renminbi against the U.S. dollar would have an adverse effect on the Renminbi amount we would receive from the conversion. Conversely, a significant depreciation of Renminbi against the U.S. dollar may significantly reduce the U.S. dollar equivalent of our earnings, which in turn could adversely affect the price of our ADSs.

We hold not only Renminbi but also other foreign currencies. Very limited hedging options are available in China to reduce our exposure to exchange rate fluctuations. In 2025, we did not enter into hedging transactions in an effort to reduce our exposure to foreign currency exchange risk. See "Item 11. Quantitative and Qualitative Disclosures about Market Risk—Foreign Exchange Risk" for more details. 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 your investment.

In addition, our operations in the overseas markets expose us to the effects of fluctuations in currency exchange rates as we report our financials and key operational metrics in Renminbi. With respect to our operations in the overseas markets, we earn revenue denominated in local currencies of the overseas markets, while some of our costs and expenses are paid in the U.S. dollar. Fluctuations in the exchange rates of local currencies of the overseas markets against Renminbi and the U.S. dollar could cause fluctuations in our operational and financial results.

Governmental control of currency conversion may limit our ability to utilize our net revenues effectively and affect the price of our ADSs.

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 the majority of our net revenues in RMB. Under our current corporate structure, our holding company in the Cayman Islands may rely 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. Specifically, under the existing exchange restrictions, cash generated from the operations of our PRC subsidiaries in China may be used to pay dividends to our company without prior approval of SAFE. However, approval from or registration with appropriate government authorities is required where Renminbi is to be converted into foreign currency and remitted out of China to pay capital expenses such as the repayment of loans denominated in foreign currencies. As a result, we need to obtain SAFE approval to use cash generated from the operations of our PRC subsidiaries and the consolidated variable interest entities to pay any debts they may incur in a currency other than Renminbi owed to entities outside China, or to make other capital expenditure payments outside China in a currency other than Renminbi.

The PRC government may, from time to time, impose more restrictive foreign exchange policies or step up scrutiny of major outbound capital movements. More restrictions and substantial vetting processes are put in place by SAFE to regulate cross-border transactions falling under the capital account. The PRC government may, at its discretion, further restrict access in the future to foreign currencies for current account transactions. If the foreign exchange control system prevents us from obtaining sufficient foreign currency to satisfy our foreign currency demands, we may not be able to pay dividends in foreign currency to our shareholders, including holders of our ADSs.

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

Companies operating in China are required to participate in various government sponsored employee benefit plans, including certain social insurance, housing funds and other welfare-oriented payment obligations, and contribute to the plans in amounts equal to certain percentages of salaries, including bonuses and allowances, of our employees up to a maximum amount specified by the local government from time to time at locations where we operate our businesses. The requirement of employee benefit plans has not been implemented consistently by the local governments in China given the different levels of economic development in different locations. Companies operating in China are also required to withhold individual income tax on employees' salaries based on the actual salary of each employee upon payment. We have not made adequate employee benefit payments for some employees. With respect to the underpaid employee benefits, we may be required to make supplemental contributions for these plans as well as pay late fees and fines. With respect to the underwithheld individual income tax, we may be required to make up sufficient withholding and pay late fees and fines. If we are subject to late fees or fines for the underpaid employee benefits and underwithheld individual income tax, our financial condition and results of operations may be adversely affected.

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

The Regulations on Mergers and Acquisitions of Domestic Companies by Foreign Investors, or the M&A Rules, adopted by six PRC regulatory agencies in 2006 and amended in 2009, and some other regulations and rules concerning mergers and acquisitions established additional procedures and requirements that could make merger and acquisition activities by foreign investors more time consuming and complex, including requirements in some instances that the Ministry of Commerce of the PRC 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, amended by the Standing Committee of the National People's Congress on June 24, 2022, requires that transactions which are deemed concentrations and involve parties with specified turnover thresholds must be cleared by the Ministry of Commerce before they can be completed. On February 7, 2021, the Anti-Monopoly Committee of the State Council published the Anti-Monopoly Guidelines for the Internet Platform Economy Sector, which stipulates that if any mergers, acquisitions, or other means of obtaining control or a decisive influence over another entity, collectively referred to as a "concentration of undertakings," involves any consolidated variable interest entities, such consolidated variable interest entities shall fall within the scope of anti-monopoly review. If a concentration of undertakings meets the criteria for declaration as stipulated by the State Council, an operator shall report such concentration of undertakings to the anti-monopoly law enforcement agency under the State Council in advance. Due to the enhanced implementation of the Anti-Monopoly Law, we may be under heightened regulatory scrutiny, which will increase our compliance costs and subject us to heightened risks and challenges.

In addition, the security review rules issued by the Ministry of Commerce of the PRC 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 Ministry of Commerce of the PRC, and the rules prohibit any activities attempting to bypass a security review, including by structuring the transaction through a proxy or contractual control arrangement. On December 19, 2020, the National Development and Reform Commission and the Ministry of Commerce jointly promulgated the Measures on the Security Review of Foreign Investment, which became effective on January 18, 2021. These measures stipulate detailed rules for foreign investment that is subject to security review. Furthermore, this new rule provides that if foreign investors or relevant parties in China intend to invest in crucial information technology and internet products and services, or in crucial financial services, or in other fields which relate to national security, they are required to report to the office in advance for a security review. See “Item 4. Information on the Company—B. Business Overview—Regulations in the PRC—Regulations Relating to Foreign Investment.”

In the future, we may grow our business by acquiring complementary businesses. Complying with the requirements of the above-mentioned regulations and other applicable rules to complete such transactions could be time consuming, and any required approval processes, including obtaining clearance or approval from the competent government authorities may delay or inhibit our ability to complete such transactions, which could affect our ability to expand our business or maintain our market share.

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

SAFE promulgated the Circular on Relevant Issues Relating to PRC Resident’s Investment and Financing and Roundtrip Investment through Special Purpose Vehicles, commonly known as SAFE Circular 37, in July 2014. This replaced the former circular, commonly known as “SAFE Circular 75,” promulgated by SAFE on October 21, 2005.

SAFE Circular 37 mandates that PRC residents or entities register with SAFE or its local branch for the establishment or control of offshore entities intended for overseas investment or financing. Additionally, these residents or entities must update their SAFE registrations for material events such as changes in basic information, investment amounts, share transfers, or mergers. If our shareholders who are PRC residents or entities do not complete their registration with the local SAFE branches, our PRC subsidiaries may be prohibited from distributing their profits and proceeds from any reduction in capital, share transfer or liquidation to us, and we may be restricted in our ability to contribute additional capital to our PRC subsidiaries. Moreover, failure to comply with the SAFE registration described above could result in liability under PRC laws for evasion of applicable foreign exchange restrictions.

Mr. Jun Zhang, Mr. Tiezheng Li, Mr. Honghui Hu, and Mr. Shaofeng Gu, who are known to us as being PRC residents and who directly or indirectly hold shares in our Cayman Islands holding company, have completed the foreign exchange registrations in accordance with SAFE Circular 75 then in effect. They are now in the process of updating their registration required in connection with corporate restructuring. Ms. Wei Luo, who indirectly hold shares in our Cayman Islands holding company and previously known to us to be a mainland China resident, has changed her citizenship to Hong Kong. Ms. Wei Luo registered in accordance with SAFE Circular 75 previously.

However, we may not be informed of the identities of all the PRC residents or entities holding direct or indirect interest in our company, nor can we compel our beneficial owners to comply with the requirements of SAFE Circular 37. As a result, we cannot assure you that all of our shareholders or beneficial owners who are PRC residents or entities have complied with, and will in the future make or obtain any applicable registrations or approvals required by, SAFE Circular 37. These shareholders’ or beneficial owners’ failure to comply with SAFE Circular 37, or our failure 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.

Pursuant to SAFE Circular 37, PRC residents who participate in stock incentive plans in overseas non-publicly-listed companies are required to submit applications to SAFE or its local branches for the foreign exchange registration with respect to offshore special purpose vehicles. In the meantime, our directors, officers and other employees who are PRC citizens, subject to limited exceptions, and who have been granted stock options by us, are required to follow the Notices on Issues Concerning the Foreign Exchange Administration for Domestic Individuals Participating in Stock Incentive Plan of Overseas Publicly-Listed Company, promulgated by SAFE in February 2012. Pursuant to this notice, 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 subsidiaries of such overseas listed company, and complete certain other procedures. 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—Regulations in the PRC—Regulations Relating to Foreign Exchange—Regulations on employee stock incentive plans of overseas publicly-listed company."

The State Administration of Taxation has issued certain circulars concerning employee stock options and restricted shares. Under these circulars, our employees working in China who exercise stock options or are granted restricted shares will be subject to PRC individual income tax. Our PRC subsidiaries have obligations to file documents related to employee stock options or restricted shares with tax authorities and to withhold individual income taxes of those employees who exercise their share options. If our employees fail to pay or we fail to withhold their income taxes according to applicable laws and regulations, we may face sanctions imposed by the tax authorities or other PRC governmental authorities. See "Item 4. Information on the Company—B. Business Overview—Regulations in the PRC—Regulations Relating to Foreign Exchange—Regulations on employee stock incentive plans of overseas publicly-listed company."

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 Enterprise Income Tax Law of the PRC 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 the Circular of the State Administration of Taxation on Issues Concerning the Identification of Chinese-Controlled Overseas Registered Enterprises as Resident Enterprises in Accordance With the Actual Standards of Organizational Management, 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 regulation 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 general position of the State Administration of Taxation on how the "de facto management body" test should be applied in determining the tax resident status of all offshore enterprises. According to this regulation, 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 the majority 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 FinVolution Group or any of our subsidiaries outside of China is a PRC resident enterprise for PRC enterprise income tax purposes, then FinVolution Group or such subsidiary could be subject to PRC tax at a rate of 25% on worldwide income, which could materially reduce our net income, and 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.

We may not be able to obtain certain benefits under 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 Enterprise Income Tax Law of the PRC, 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, and the Notice of the State Administration of Taxation on the Issues concerning the Application of the Dividend Clauses of Tax Agreements issued by the State Administration of Taxation, such withholding tax rate may be lowered to 5% if the PRC enterprise is at least 25% held by a Hong Kong enterprise for at least 12 consecutive months prior to distribution of the dividends and is determined by the PRC tax authority to have satisfied other conditions and requirements under the above arrangement and other applicable PRC laws. Furthermore, under the Administrative Measures for Non-Resident Enterprises to Enjoy Treatments under Tax Treaties, which became effective in August 2015, the non-resident enterprises shall determine whether they are qualified to enjoy the preferential tax treatment under the tax treaties and file their report and materials with the tax authorities. There are also other conditions for enjoying the reduced withholding tax rate according to other tax rules and regulations. See “Item 10. Additional Information—E. Taxation—People’s Republic of China Taxation.” We cannot assure you that we will be able to complete the necessary filings with the PRC tax authority and enjoy the preferential withholding tax rate of 5% under the arrangement with respect to dividends to be paid by our PRC subsidiaries to our Hong Kong subsidiaries.

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

On February 3, 2015, the State Administration of Taxation issued the Public Notice Regarding Certain Corporate Income Tax Matters on Indirect Transfer of Properties by Non-Resident Enterprises, or SAT Public Notice 7. Pursuant to this notice, an “indirect transfer” of PRC assets, including a transfer of equity interests in an unlisted non-PRC holding company of a PRC resident enterprise by non-PRC resident enterprises may be re-characterized and treated as a direct transfer of the underlying PRC assets, if such arrangement does not have a reasonable commercial purpose and was established for the purpose of avoiding payment of PRC enterprise income 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.

On October 17, 2017, the State Administration of Taxation issued the Announcement of the State Administration of Taxation on Issues Concerning the Withholding of Non-resident Enterprise Income Tax at Source, or SAT Bulletin 37. It further clarifies the practice and procedure of the withholding of non-resident enterprise income tax.

We face uncertainties on the reporting and consequences of past or future private equity financing transactions, offshore restructuring, or other transactions involving the transfer of ordinary 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 obligations, 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 SAT Public Notice 7 and SAT Bulletin 37, and may be required to expend valuable resources to comply with them or to establish that we and our non-resident enterprises should not be taxed under these regulations, which may have a material adverse effect on our financial condition and results of operations.

The PRC tax authorities have the discretion under SAT Public Notice 7 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. If the PRC tax authorities make adjustments to the taxable income of the transactions under SAT Public Notice 7, our income tax costs associated with such transactions will be increased, which may have an adverse effect on our financial condition and results of operations. We cannot assure you that the PRC tax authorities will not, at their discretion, adjust any capital gains and impose tax return filing obligations on us or require us to provide assistance to them for the investigation of any transactions we were involved in. Heightened scrutiny over acquisition transactions by the PRC tax authorities may have a negative impact on potential acquisitions we may pursue in the future.

The approval of and filing with the CSRC or other PRC government authorities may be required in connection with our offshore offerings under PRC law, and, if required, we cannot predict whether or for how long we will be able to obtain such approval or complete such filing.

The M&A Rules require an overseas special purpose vehicle formed for listing purposes through acquisitions of PRC domestic companies and controlled by PRC persons or entities to obtain the approval of the CSRC prior to the listing and trading of such special purpose vehicle's securities on an overseas stock exchange. The interpretation and application of the regulations remain unclear, and our offshore offerings may ultimately require approval of the CSRC. If the CSRC approval is required, it is uncertain whether we can or how long it will take us to obtain the approval and, even if we obtain such CSRC approval, the approval could be rescinded. Any failure to obtain or delay in obtaining the CSRC approval for any of our offshore offerings, or a rescission post-approval, would subject us to sanctions imposed by the CSRC or other PRC regulatory authorities, which could include fines and penalties on our operations in China, restrictions or limitations on our ability to pay dividends outside of China, and other forms of sanctions that may materially and adversely affect our business, financial condition, and results of operations.

On February 17, 2023, the CSRC published the Trial Administrative Measures on the Overseas Issuance and Listing of Securities by Domestic Companies, or the CSRC Filing Measures, and five supporting guidelines, effective on March 31, 2023. The CSRC Filing Measures establish a new filing-based regime to regulate overseas offerings and listings by domestic companies. According to the CSRC Filing Measures, PRC domestic companies that seek to offer and list securities in overseas markets, either in direct or indirect means, are required to fulfill the filing procedure with the CSRC and report relevant information. Failure to comply with the filing or reporting requirements for any offering, listing or any other capital raising activities, may result in fines and other penalties on the companies, the controlling shareholder and other responsible persons. On February 17, 2023, the CSRC also issued the Notification to the Administrative Arrangement of the Overseas Issuance and Listing of Securities by Domestic Companies, which, among others, clarifies that domestic companies already listed overseas before March 31, 2023, are not required to complete filing procedures immediately. However, they will be required to file with the CSRC when subsequent matters such as refinancing are involved. Furthermore, regarding the overseas listing of companies with contractual arrangements (also known as VIE structures), the CSRC will solicit opinions from relevant regulatory authorities. The CSRC will then complete the filing of the overseas listing for companies meeting compliance requirements, supporting their development and growth by enabling them to utilize both markets and their resources. For more details of the CSRC Filing Measures and other related regulations, see "Item 4. Information on the Company—B. Business Overview—Regulations in the PRC—Regulations Relating to Overseas Listing and M&A."

If it is determined in the future that approval and filing from the CSRC or other regulatory authorities or other procedures, including the cybersecurity review under the amended Measures for Cybersecurity Review, are required for our offerings, it is uncertain whether we can or how long it will take us to obtain such approval or complete such filing procedures. Any failure to obtain (including possible rescission of any approvals that had been obtained) or delay in obtaining such approval or completing such filing procedures for our offerings could subject us to penalties and sanctions such as fines and penalties on our operations in China, orders limiting our ability to pay dividends outside of China, reduction of our operating privileges in China, or delay or restrictions on repatriation of the proceeds from our offshore offerings into China. These penalties and sanctions could materially and adversely affect our business, financial condition, results of operations, and prospects, as well as the trading price of our securities. Similarly, the CSRC or other PRC regulatory authorities could also require us to halt our offshore offerings before settlement and delivery of the shares offered. Consequently, if investors engage in trading or hedging activities in anticipation of and prior to settlement and delivery, they do so at the risk that settlement and delivery may not occur. In addition, if the CSRC or other regulatory authorities subsequently promulgate new rules or explanations requiring that we obtain their approvals or accomplish the required filing or other regulatory procedures for our prior offshore offerings, we may be unable to obtain a waiver of such approval requirements, if and when procedures are established to obtain such a waiver. Any uncertainties or negative publicity regarding such approval requirement could materially and adversely affect our business, prospects, financial condition, reputation, and the trading price of our listed securities.

The PCAOB had historically been unable to inspect our auditor in relation to their audit work performed for our financial statements and the inability of the PCAOB to conduct inspections of our auditor in the past has deprived our investors with the benefits of such inspections.

Our auditor, the independent registered public accounting firm that issues the audit report included elsewhere in this annual report, as an auditor of companies that are traded publicly in the United States and a firm registered with the PCAOB, is subject to laws in the United States pursuant to which the PCAOB conducts regular inspections to assess its compliance with the applicable professional standards. The auditor is located in mainland China, a jurisdiction where the PCAOB was historically unable to conduct inspections and investigations completely before 2022. As a result, we and investors in the ADSs were deprived of the benefits of such PCAOB inspections. The inability of the PCAOB to conduct inspections of auditors in China in the past has made it more difficult to evaluate the effectiveness of our independent registered public accounting firm's audit procedures or quality control procedures as compared to auditors outside of China that are subject to the PCAOB inspections. On December 15, 2022, the PCAOB issued a report that vacated its December 16, 2021 determination and removed mainland China and Hong Kong from the list of jurisdictions where it is unable to inspect or investigate completely registered public accounting firms. However, if the PCAOB determines in the future that it no longer has full access to inspect and investigate completely accounting firms in mainland China and Hong Kong, and we use an accounting firm headquartered in one of these jurisdictions to issue an audit report on our financial statements filed with the SEC, we and investors in the ADSs would be deprived of the benefits of such PCAOB inspections again, which could cause investors and potential investors in our ADSs to lose confidence in our audit procedures and reported financial information and the quality of our financial statements.

Our ADSs may be prohibited from trading in the United States under the HFCA Act in the future if the PCAOB is unable to inspect or investigate completely auditors located in China. The delisting of the ADSs, or the threat of their being delisted, may materially and adversely affect the value of your investment.

Pursuant to the HFCA Act, if the SEC determines that we have filed audit reports issued by a registered public accounting firm that has not been subject to inspections by the PCAOB for two consecutive years, the SEC will prohibit our shares or ADSs from being traded on a national securities exchange or in the over-the-counter trading market in the United States.

On December 16, 2021, the PCAOB issued a report to notify the SEC of its determination that the PCAOB was unable to inspect or investigate completely registered public accounting firms headquartered in mainland China and Hong Kong and our auditor was subject to that determination. In May 2022, the SEC conclusively listed us as a Commission-Identified Issuer under the HFCA Act following the filing of our annual report on Form 20-F for the fiscal year ended December 31, 2021. On December 15, 2022, the PCAOB removed mainland China and Hong Kong from the list of jurisdictions where it is unable to inspect or investigate completely registered public accounting firms. As of the date of this annual report, the PCAOB has not issued any new determination that it is unable to inspect or investigate completely registered public accounting firms headquartered in any jurisdiction. For this reason, we do not expect to be identified as a Commission-Identified Issuer under the HFCA Act after we file this annual report on Form 20-F.

Each year, the PCAOB will determine whether it can inspect and investigate completely audit firms in mainland China and Hong Kong, among other jurisdictions. If the PCAOB determines in the future that it no longer has full access to inspect and investigate completely accounting firms in mainland China and Hong Kong and we use an accounting firm headquartered in one of these jurisdictions to issue an audit report on our financial statements filed with the SEC, we would be identified as a Commission-Identified Issuer following the filing of the annual report on Form 20-F for the relevant fiscal year. In accordance with the HFCA Act, our securities would be prohibited from being traded on a national securities exchange or in the over-the-counter trading market in the United States if we are identified as a Commission-Identified Issuer for two consecutive years in the future. If our shares and ADSs are prohibited from trading in the United States, there is no certainty that we will be able to list on a non-U.S. exchange or that a market for our shares will develop outside of the United States. A prohibition of being able to trade in the United States would substantially impair your ability to sell or purchase our ADSs when you wish to do so, and the risk and uncertainty associated with delisting would have a negative impact on the price of our ADSs. Also, such a prohibition would significantly affect our ability to raise capital on terms acceptable to us, or at all, which would have a material adverse impact on our business, financial condition, and prospects.

Risks Related to Our American Depositary Shares

The market price for our ADSs may be volatile.

The trading prices of our ADSs are likely to be volatile and could fluctuate widely due to factors beyond our control. This may happen because of broad market and industry factors, including the performance and fluctuation of the market prices of other companies with business operations located in China that have listed their securities in the United States. The trading performances of these other companies' securities, including internet and fintech companies, may affect the attitudes of investors toward similar 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 matters of these other companies may also negatively affect the attitudes of investors towards companies with business operations in China in general, including us, regardless of our conduct. 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 at the beginning of the COVID-19 pandemic, which may have a material and adverse effect on the trading 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 conditions in the online consumer finance industries:

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

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 for our ADSs to decline.

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 substantial amounts of our ADSs in the public market or the perception that these sales could occur, could adversely affect the market price of our ADSs and could materially impair our ability to raise capital through equity offerings in the future. We cannot predict what effect, if any, market sales of securities held by our significant shareholders or any other shareholder or the availability of these securities for future sale will have on the market price of our ADSs.

Techniques employed by short sellers may drive down the market price of the ADSs.

Short selling is the practice of selling securities that a seller does not own but rather has borrowed from a third party with the intention of buying identical securities back at a later date to return to the lender. Short sellers hope to profit from a decline in the value of the securities between the sale of the borrowed securities and the purchase of the replacement shares, as short sellers expect to pay less in that purchase than they received in the sale. As it is in short sellers' interest for the price of the security to decline, many short sellers publish, or arrange for the publication of, negative opinions and allegations regarding an issuer and its business prospects in order to create negative market momentum and generate profits for themselves after selling a security short. These short attacks have, in the past, led to selling of shares in the market.

We may be subject to short seller attacks from time to time in the future. If we were to become the subject of any unfavorable allegations, whether such allegations are proven to be true or untrue, we may have to expend a significant amount of resources to investigate such allegations and/or defend ourselves. While we would strongly defend against any such short seller attacks, we may be constrained in the manner in which we can proceed against the short sellers by principles of freedom of speech, applicable law or issues of commercial confidentiality. Such a situation could be costly and time-consuming, and could divert management's attention from the day-to-day operations of our company. Even if such allegations are ultimately proven to be groundless, allegations against us could severely impact the market price of our ADSs and our business operations.

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

As a holder of our ADSs, you will not have any direct right to attend general meetings of our shareholders or to cast any votes at such meetings. You will only be able to exercise the voting rights which attach to the underlying Class A ordinary shares which are represented by your ADSs indirectly by giving voting instructions to the depositary in accordance with the provisions of the deposit agreement. Under the deposit agreement, you may vote only by giving voting instructions to the depositary, as the holder of the underlying Class A ordinary shares which are represented by your ADSs. Upon receipt of your voting instructions, the depositary will endeavor to vote the underlying Class A ordinary shares in accordance with your instructions in the event voting is by poll, and in accordance with instructions received from a majority of holders of ADSs who provide instructions in the event voting is by show of hands. The depositary will not join in demanding a vote by poll. You will not be able to directly exercise any right to vote with respect to the underlying Class A ordinary shares unless you withdraw the shares and become the registered holder of such shares prior to the record date for the general meeting. Under our currently effective memorandum and articles of association, the minimum notice period required to be given by our company to our registered shareholders for convening a general meeting is seven days. When a general meeting is convened, you may not receive sufficient advance notice to enable you to withdraw the underlying shares which are represented by your ADSs and become the registered holder of such shares prior to the record date for the general meeting to allow you to attend the general meeting or to vote directly with respect to any specific matter or resolution which is to be considered and voted upon at the general meeting.

In addition, under our currently effective memorandum and articles of association, for the purposes of determining those shareholders who are entitled to attend and vote at any general meeting, our directors may close our register of members and/or fix in advance a record date for such meeting, and such closure of our register of members or the setting of such a record date may prevent you from withdrawing the underlying shares which are represented by your ADSs and becoming the registered holder of such shares prior to the record date, so that you would not be able to attend the general meeting or to vote directly. Where any matter is to be put to a vote at a general meeting, the depositary will, if we request, and subject to the terms of the deposit agreement, endeavor to notify you of the upcoming vote and to deliver our voting materials to you. We cannot assure you that you will receive the voting materials in time to ensure that you can instruct the depositary to vote the underlying shares which are represented by your ADSs. In addition, the depositary and its agents are not responsible for failing to carry out voting instructions or for their manner of carrying out your voting instructions. This means that you may not be able to exercise your right to direct the voting of the underlying shares which are represented by your ADSs, and you may have no legal remedy if the underlying shares are not voted as you requested.

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

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

- 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 may have a material adverse impact on shareholders; or
- voting at the meeting is made on a show of hands.

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

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

Under the deposit agreement, any action or proceeding against or involving the depositary, arising out of or based upon the deposit agreement or the transactions contemplated thereby or by virtue of owning the ADSs may only be instituted by you in a state or federal court in the city of 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 instituted by any person. 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 of 1933, as amended, or the Securities Act, or an exemption from the registration requirements is available. Under the deposit agreement, the depository will not make rights available to you unless both the rights and the underlying securities to be distributed to ADS holders are either registered under the Securities Act or exempt from registration under the Securities Act. We are under no obligation to file a registration statement with respect to any such rights or securities or to endeavor to cause such a registration statement to be declared effective and we may not be able to establish a necessary exemption from registration under the Securities Act. Accordingly, you may be unable to participate in our rights offerings in the future and may experience dilution in your holdings.

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

The depository of our ADSs has agreed to pay to you the cash dividends or other distributions it or the custodian receives on our Class A ordinary shares or other deposited securities underlying our ADSs, after deducting its fees and expenses. You will receive these distributions in proportion to the number of Class A ordinary shares your ADSs represent.

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

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

Your ADSs are transferable on the books of the depository. However, the depository 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 depository may refuse to deliver, transfer or register transfers of ADSs generally when our books or the books of the depository are closed, or at any time if we or the depository deems it advisable to do so because of any requirement of law or of any government or governmental body, or under any provision of the deposit agreement, or for any other reason.

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

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

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

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 Act (As Revised) 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, with respect to Cayman Islands companies, plaintiffs may face special obstacles, including but not limited to those relating to jurisdiction and standing, in attempting to assert derivative claims in state or federal courts of the United States.

Shareholders of Cayman Islands exempted companies like us have no general rights under Cayman Islands law to inspect corporate records (other than the memorandum and articles of association, any special resolutions passed by such companies, the registers of mortgages and charges of such companies and a list of the names of the current directors of such companies upon payment of a fee to the Cayman Registrar) or to obtain copies of lists of shareholders of these companies. Our directors have discretion under our current amended and restated 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 dual-class share structure will limit your ability to influence corporate matters and could discourage others from pursuing any change of control transactions that holders of our Class A ordinary shares and ADSs may view as beneficial.

We have adopted a dual-class share structure. Our ordinary shares consist of Class A ordinary shares and Class B ordinary shares. Holders of Class A ordinary shares are entitled to one vote per share in respect of matters requiring the votes of shareholders, while holders of Class B ordinary shares are entitled to twenty votes per share. Each Class B ordinary share is convertible into one Class A ordinary share at any time by the holder thereof, while Class A ordinary shares are not convertible into Class B ordinary shares under any circumstances. Due to the disparate voting powers associated with our two classes of ordinary shares, the voting power attached to our Class B ordinary shares accounted for 94.9% of our company's aggregate voting power as of March 31, 2026. In particular, one of the holders of our Class B ordinary shares beneficially owned 66.4% of the aggregate voting power of our company as of the same date. As a result, the existing holders of our Class B ordinary shares will have decisive influence over matters such as electing directors and approving material mergers, acquisitions or other business combination transactions. This concentrated control will limit your ability to influence corporate matters and could also discourage others from pursuing any potential merger, takeover or other change of control transactions, which could have the effect of depriving the holders of our Class A ordinary shares and our ADSs of the opportunity to sell their shares at a premium over the prevailing market price or the opportunity to receive a premium for their shares as part of a sale of our company. These shareholders may also take actions that are not in the best interest of us or our other shareholders even if they are opposed by our other shareholders, including holders of our ADSs. In addition, the significant concentration of share ownership may adversely affect the trading price of the ADSs due to investors' perception that conflicts of interest may exist or arise. For more information regarding our principal shareholders and their affiliated entities, see "Item 6. Directors, Senior Management and Employees—E. Share Ownership." 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 ADS holders of the opportunity to sell their shares or ADSs at a premium over the prevailing market price by discouraging third parties from seeking to obtain control of our company in a tender offer or similar transactions.

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

We adopted a share incentive plan in October 2017, which we refer to as the 2017 Plan. Under the 2017 Plan, we are authorized to grant options, restricted shares, and restricted share units to employees, officers, directors and individual consultants who render services to us. The maximum number of Class A ordinary shares which may be issued pursuant to all awards under the 2017 Plan is 1,000,000,000. As of March 31, 2026, options to purchase a total of 3,858,450 Class A ordinary shares were outstanding under the 2017 Plan, and restricted share units to receive a total of 65,672,795 Class A ordinary shares were outstanding under the 2017 Plan.

We incurred RMB149.0 million (US\$21.3 million) share-based compensation expenses in 2025 relating to share incentive awards. We believe the granting of share incentive awards is of significant importance to our ability to attract and retain employees, and we will continue to grant share incentive awards to employees in the future. As a result, our expenses associated with share-based compensation may increase, which may have an adverse effect on our results of operations.

We are 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 for 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. For example, we are not required to (i) have a majority of independent directors in our board of directors, (ii) have a minimum of three members in our audit committee, or (iii) hold annual shareholders meetings. See “Item 16G. Corporate Governance.” Since we have chosen to follow certain home country practice, our shareholders may be afforded less protection than they otherwise would enjoy under the NYSE corporate governance listing standards applicable to U.S. domestic issuers.

We believe that we were a passive foreign investment company, or PFIC, for U.S. federal income tax purposes for the taxable year ended December 31, 2025, which could subject United States investors in our ADSs or ordinary shares to significant adverse U.S. federal income tax consequences.

We will be a “passive foreign investment company,” or PFIC, if, in any particular taxable year, either (i) 75% or more of our gross income for such year consists of certain types of “passive” income or (ii) 50% or more of the value of our assets (generally determined on the basis of a quarterly average) during such year produce or are held for the production of passive income. Although the law in this regard is unclear, we intend to treat the consolidated variable interest entities (including their respective subsidiaries) as being owned by us for U.S. federal income tax purposes, not only because we are able to direct the activities of 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. Based upon the nature and composition of our income and assets (in particular the retention of a substantial amount of cash and investments) and the market price of our ADSs, we believe that we were a PFIC for U.S. federal income tax purposes for the taxable year ended December 31, 2025, and we will likely be a PFIC for our current taxable year unless the market price of our ADSs increases and/or we invest a substantial amount of the cash and other passive assets we hold in assets that produce or are held for the production of active income.

If we or any of our subsidiaries are a PFIC for any taxable year during which a U.S. holder (as defined in “Item 10. Additional Information—E. Taxation—U.S. Federal Income Tax Considerations”) holds our ADSs or ordinary shares, the U.S. holder may be subject to certain adverse U.S. federal income tax consequences. Additionally, if we are a PFIC for any taxable year during which U.S. holders hold our ADSs or ordinary shares, we would generally continue to be treated as a PFIC with respect to such U.S. holders even if we do not satisfy either of the above tests to be classified as a PFIC in any subsequent year. See “Item 10. Additional Information—E. Taxation—U.S. Federal Income Tax Considerations—Passive Foreign Investment Company Rules.”

ITEM 4. INFORMATION ON THE COMPANY

A. History and Development of the Company

We commenced our online consumer finance platform business in June 2007. Starting in January 2011, our business operations have gradually migrated to Shanghai PPDai Financial Information Service Co., Ltd., or Shanghai PPDai, which is currently a subsidiary of the consolidate variable interest entity named Beijing Paipairongxin Investment Consulting Co., Ltd., or Beijing Paipairongxin.

In 2012, we formed our offshore corporate structure to facilitate offshore financing. In June 2012, we incorporated FinVolution Group (formerly known as PPDai Group Inc.) under the laws of the Cayman Islands as our holding company and incorporated FinVolution (HK) Limited (formerly known as PPDai (HK) LIMITED) as its wholly-owned subsidiary in November 2019.

In June 2012, Beijing Paipairongxin was incorporated, with its current shareholders being the four founders of our company. In June 2017, Shanghai Guangjian Information Technology Co., Ltd., or Shanghai Guangjian was incorporated as a wholly-owned PRC subsidiary of FinVolution (HK) Limited. Shortly after its incorporation, Shanghai Guangjian established a wholly-owned subsidiary, Shanghai Shanghu Information Technology Co., Ltd., or Shanghai Shanghu. Shanghai Guangjian has entered into a series of contractual arrangements with Beijing Paipairongxin and its shareholders, enabling us to direct the operational activities of Beijing Paipairongxin. Please refer to “Item 4. Information on the Company—C. Organizational Structure—Contractual Arrangements” for further details.

In August 2012, Beijing Prosper Investment Consulting Co., Ltd., or Beijing Prosper, was incorporated as a wholly-owned PRC subsidiary of FinVolution (HK) Limited.

In December 2016, we established Hefei PPDai Information Technology Co., Ltd., as an operating entity to provide customer services with a focus on loan collection.

On November 10, 2017, our ADSs commenced trading on the NYSE under the symbol “PPDF.” We raised from our initial public offering approximately US\$205.0 million in net proceeds after deducting underwriting discounts and the estimated offering expenses payable by us. Concurrently with our initial public offering, we also raised approximately US\$49.5 million in net proceeds through issuing 19,230,769 Class A ordinary shares to a wholly-owned subsidiary of Sun Hung Kai & Co. Limited.

In January 2018, we established Bluebottle Limited in Hong Kong. Shortly after its incorporation, Bluebottle Limited established Shanghai Manyin Information Technology Co., Ltd., or Shanghai Manyin, as its wholly-owned PRC subsidiary in China. In July 2017, Shanghai Zihe Information Technology Group Co., Ltd., or Shanghai Zihe, was incorporated, with its shareholders also being the four founders of our company. Shanghai Manyin has a series of contractual arrangements with Shanghai Zihe and its shareholders, allowing us to direct the operational activities of Shanghai Zihe. In January 2019, Shanghai Ledao Information Technology Co., Ltd., or Shanghai Ledao, was incorporated, with its shareholders being family relatives of two of our founders. Shanghai Manyin has entered into contractual arrangements with Shanghai Ledao and its shareholders, enabling us to direct the operational activities of Shanghai Ledao. Please refer to “Item 4. Information on the Company—C. Organizational Structure—Contractual Arrangements” for further details.

In April 2018, Shanghai Erxu Information Technology Co., Ltd. was incorporated as a wholly-owned PRC subsidiary of Shanghai Zihe to operate business related to loan facilitation services.

In June 2018, PT Pembiayaan Digital Indonesia was incorporated in Indonesia. We currently hold an ultimate 80% equity interest in PT Pembiayaan Digital Indonesia. In December 2019, PT Pembiayaan Digital Indonesia obtained a license as an information technology-based lending and borrowing service provider from the Financial Services Authority of Indonesia (OJK) to engage in technology-based lending services.

In August 2018, Hainan Shanghu Information Technology Co., Ltd. was incorporated as a subsidiary indirectly and wholly owned by Shanghai Manyin to operate technology service business.

In November 2019, Fujian Zhiyun Financing Guarantee Co., Ltd. was incorporated as a wholly-owned PRC subsidiary of Shanghai PPDai to provide financing guarantees services to our institutional funding partners for loans funded by them to the borrowers we introduced.

In November 2019, the name of the Company was changed from “PPDAI Group Inc.” to “FinVolution Group” and that “信也科技” was adopted as the dual foreign name of the Company. In addition, the Company’s ticker symbol on the New York Stock Exchange was also changed from “PPDF” to “FINV.” However, we continue to conduct a portion of our business under the name PPDai.

As we expanded our operations to overseas markets, in 2018, we commenced online lending services in Indonesia under the AdaKami brand. In 2020, we expanded our online lending services to the Philippines under the JuanHand brand. In April 2024, we acquired a supermajority stake in an Indonesian multi-finance company, and subsequently completed its full acquisition in December 2025.

In October 2025, we acquired a licensed lender and entered the Australian online lending market under the Fundo brand, extending our platform's reach to both emerging and developed markets.

Corporate Information

Our principal executive offices are located at Building G1, No. 999 Dangui Road, Pudong New District, Shanghai 201203, the People's Republic of China. Our telephone number at this address is +86 21 8030 3200. Our registered office in the Cayman Islands is located at the offices of PO Box 309, Uglan House, Grand Cayman, KY1-1104, Cayman Islands. Our agent for service of process in the United States is Law Debenture Corporate Services Inc., located at 801 2nd Avenue, Suite 403, New York, NY 10017. Investors should contact us for any inquiries through the address and telephone number of our principal executive offices.

The information we file with the SEC can be found on www.sec.gov. You can also find information on our website ir.finvgroup.com. The information contained on our website or other information contained on the SEC website is not a part of this annual report.

B. Business Overview

Overview

We are a leading fintech platform with strong brand recognition across China and key overseas markets. Launched in 2007, we have been a pioneer in China's online consumer finance industry. Since 2018, we have expanded our operations to overseas markets such as Indonesia and the Philippines. In 2025, we further expanded into the Australian market through the acquisition of a licensed lender, extending our platform's reach to both emerging and developed markets. In 2025, we generated 75.4% of our revenues from China and 24.6% of our revenues from the overseas markets.

We strategically focus on serving borrowers of the young generation that is typically more receptive to internet financial services and whose borrowing needs are unserved or underserved by traditional financial institutions. This segment of borrowers is poised to become the major driving force of the consumer finance market. Our borrowers are primarily acquired online and stretch across a large number of cities and counties in the markets where we operate.

We primarily offer short-term loans to our borrowers to meet their immediate credit needs while allowing them to gradually establish their credit history through activities on our platforms. In 2023, 2024 and 2025, the average principal amount of loans originated on our platform in China was RMB8,318, RMB10,402 and RMB10,914 (US\$1,561), respectively, with an average term of 8.3 months, 8.0 months and 8.3 months, respectively. Borrowers come to our platforms for convenient, simple and fast loan transaction process. We generally have a high level of borrower stickiness. In 2023, 2024 and 2025, 87.2%, 86.5% and 84.9% of the total loan origination volume, respectively, on our platform in China was generated from repeat borrowers who had at least one drawdown before.

Our platforms appeal to institutional funding partners by offering a wide spectrum of loan assets. We provide our institutional funding partners with an opportunity to locate high quality borrowers and achieve attractive returns. Institutional funding partners may provide loans to borrowers that we introduce to them, making use of the preliminary credit assessment services as well as other services we provide to them. We offer attractive risk-adjusted returns supported by a set of risk management procedures and implement protection mechanisms to control and mitigate risk exposure.

We have built an extensive database that contains first hand through-the-cycle credit data as well as data from various third-party sources. We have established systematic risk management procedures which have proven to be effective in various macro-economic environments. Our proprietary and big-data-based credit scoring model, the Magic Mirror Model, has been continually testing and refining its credit decision-making rules as we continue to study the increasing amount of data accumulated through our loan facilitation. We have also made progress in optimizing operational efficiency as we apply big-data analytics and machine learning capabilities to other aspects of our business operations, such as sales and marketing activities and loan collection.

We generate revenues primarily by collecting transaction service fees from institutional funding partners for our services provided to them such as borrower introduction and preliminary credit assessment, as well as other services we provide along the lifecycle of loans. Our net revenues grew from RMB12.5 billion in 2023 to RMB13.1 billion in 2024 and further to RMB13.6 billion (US\$1.9 billion) in 2025. Our net profit was RMB2.4 billion in 2023, RMB2.4 billion in 2024 and RMB2.5 billion (US\$0.4 billion) in 2025.

China and Overseas Markets

We operate a Credit-Tech platform that bridges the credit gap for underserved consumers. Our business is managed through two strategic segments: China, our foundational market providing scale and cash flow, and International Markets, characterized by growth and user acquisition. Our “LEGO” (Local Excellence, Global Outlook) strategy facilitates international expansion by integrating expertise in regulatory navigation, risk analytics, and product development across jurisdictions. This integrated approach allows us to accelerate market entry and de-risk expansion by leveraging proven capabilities from one jurisdiction to the next.

We primarily operate in China under the PPDai brand. The number of our cumulative registered users in China increased from 155.6 million as of December 31, 2023 to 172.6 million as of December 31, 2024 and further to 187.4 million as of December 31, 2025. Our loan origination volume in China in 2023, 2024 and 2025 was RMB186.4 billion, RMB196.1 billion and RMB186.3 billion (US\$26.6 billion), respectively. Our outstanding loan balance in the China market in 2023, 2024 and 2025 was RMB66.1 billion, RMB69.8 billion and RMB68.3 billion (US\$9.8 billion), respectively. In 2023, 2024 and 2025, revenues generated from the China markets were RMB10.4 billion, RMB10.5 billion and RMB10.2 billion (US\$1.5 billion), representing 83.0%, 80.6% and 75.4% of net revenues for the respective years.

We have been actively expanding into overseas markets, and have successfully executed the “zero-to-one” journey in multiple jurisdictions.

- **Indonesia:** We provide online lending services in Indonesia under the AdaKami brand. To further diversify, we completed the full acquisition of an Indonesian multi-finance company in December 2025, enabling us to offer offline consumption finance solutions, such as installment loans.
- **The Philippines:** We are a leading player in the online lending space in the Philippines, under the brand JuanHand. Our operations in the Philippines have seen significant growth, driven by adoption of online lending across different consumption scenarios.
- **Australia:** In October 2025, we strategically expanded into the Australian market through the acquisition of Fundo, a licensed lender holding an Australian Credit Licence from the Australian Securities and Investments Commission (ASIC). This acquisition represents a significant upgrade in our international expansion strategy, moving beyond emerging Southeast Asian markets into a more regulated, developed economy. Our extensive experience in delivering online lending solutions to near-prime customers, position us strongly to capitalize on the opportunities within Australia’s established financial ecosystem.

The number of cumulative registered users in the overseas markets increased from 24.6 million as of December 31, 2023 to 35.7 million as of December 31, 2024 and further to 52.1 million as of December 31, 2025. Our loan origination volume in the overseas markets increased from RMB7.9 billion as of December 31, 2023 to RMB10.1 billion as of December 31, 2024 and further to RMB14.0 billion (US\$2.0 billion) as of December 31, 2025. Our outstanding loan balance in the overseas markets increased from RMB1,262.3 million as of December 31, 2023 to RMB1,696.2 million as of December 31, 2024 and further to RMB2,570.1 million (US\$367.5 million) as of December 31, 2025. In 2023, 2024 and 2025, revenues generated from the overseas markets were RMB2,136.9 million, RMB2,532.5 million and RMB3,331.5 million (US\$476.4 million), representing 17.0%, 19.4% and 24.6% of net revenues for the respective years.

Our business models in both the PRC and overseas markets share substantial similarities, albeit with variations in specific loan products stemming from localization strategies and regulatory requirements. Generally, borrowers in overseas markets are younger on average, with lower average loan amounts and shorter tenors compared to those in China.

Borrowers

Since our inception and up to December 31, 2025, we had facilitated loans for over 29.0 million borrowers in China from substantially all cities and counties across China. In 2025, over 63% of our borrowers in China were between 20 and 40 years of age. We strategically cultivate customer loyalty, aiming to capture the vast growth opportunities as our borrowers enter into different stages of their lives and qualify for higher credit limits. The number of unique borrowers in a given year means the total number of borrowers whose loans on our platforms were funded during such year. The number of our unique borrowers in China were approximately 4.4 million in 2023, 4.1 million in 2024 and 4.6 million in 2025. Our platforms feature a high proportion of repeat borrowers. In China, 87.2%, 86.5% and 84.9% of the total loan origination volume facilitated through our platform in 2023, 2024 and 2025, respectively, was generated from repeat borrowers who had successfully borrowed on our platform before.

Since the launch of our operations in the overseas markets and up to December 31, 2025, we had facilitated loans for approximately 11.7 million borrowers in Indonesia, the Philippines and Australia. The borrowers in the overseas markets are typically younger individuals, compared to borrowers in the Chinese market. The number of unique borrowers for the overseas markets were approximately 1.9 million in 2023, 2.9 million in 2024 and 5.9 million in 2025. For the overseas markets, 83.5%, 86.2% and 87.6% of the total loan origination volume facilitated through our platforms in 2023, 2024 and 2025, respectively, was generated from repeat borrowers who had successfully borrowed on our platforms before.

Institutional Funding Partners

Since 2020, all new loans facilitated on our platform in China have been funded by institutional funding partners or our own microloan companies. Currently, we primarily cooperate with commercial banks, internet or digital banks, private banks, consumer finance companies, micro-loan companies and trust management companies to diversify the funding sources on our platform in China. As of December 31, 2025, we had cumulatively cooperated with 115 institutional funding partners in China. The loan origination volume on our platform in China in 2023, 2024 and 2025 was RMB186.4 billion, RMB196.1 billion and RMB186.3 billion (US\$26.6 billion), respectively.

In 2025, most of the new loans facilitated on our platforms in the overseas markets were funded by institutional funding partners, with a small portion from our capital. Currently, we primarily cooperate with commercial banks and internet banks in the overseas markets. As of December 31, 2025, we had cumulatively cooperated with 18 institutional funding partners in our overseas markets. The loan origination volume on our international platforms increased from RMB7.9 billion in 2023 to RMB10.1 billion in 2024 and further to RMB14.0 billion (US\$2.0 billion) in 2025.

Our Products and Services

Loan Services Offered to Borrowers

We primarily offer standard loan products in China and also typically offer another kind of standard loan products in the overseas markets. The loan products offered on our platforms do not require any form of security or guarantee from the borrowers to secure the loan, and we generally provide loan applicants with a credit decision in around 10 minutes of application for first-time applicants and in as little as one minute for repeat borrowers. Approved borrowers typically receive loan disbursements within 24 hours following the loan listing. We believe these features are essential to meeting borrowers' often imminent financing needs. Subject to the credit assessment result for each loan application, a borrower is allowed to take out multiple loans on our platforms if the aggregate outstanding principal amount does not exceed such borrower's credit limit for the type of loans the borrower applies for.

Standard loan products in China

Borrowers in China have the flexibility to conveniently apply for our standard loan products through mobile devices. To initiate the application process, they provide essential information such as bank account details, educational background, marital status, occupation, and income range. Additionally, they furnish one or two alternative contact mobile phone numbers, alongside the mandatory identity card details required for initial user registration. Small business owners also have the option to upload their business license to our system.

Upon completion of the credit assessment, eligible borrowers may apply for loans within the approved credit limit, with repayment terms spanning from 1 month to 24 months. The average loan amounts for our standard loan products in China were RMB8,318 in 2023, and RMB10,402 in 2024 and RMB10,914 (US\$1,561) in 2025. Borrowers across various credit score tiers are subject to different credit limits and borrowing costs.

The borrowing costs associated with our standard loans encompass loan interest payable to institutional funding partners. Borrowers may also incur a guarantee service fee for services rendered by financing guarantee companies. Our standard loan products in China feature fixed monthly repayments, primarily consisting of principal, interest, loan facilitation service fees and, where applicable, guarantee service fees.

In 2025, the total origination volume of our standard loan products in China amounted to RMB182.0 billion (US\$26.0 billion), accounting for 97.7% of the total loan origination volume on our platform in China for the same period. In 2025, borrowers of our standard loan products in China included 719 thousand small business owners, with the total loan origination volume constituting 29.1% of the overall loan origination volume on our platform in China for the same year.

Standard loan products in the overseas markets

Our standard loan products in the overseas markets offer borrowers the convenience of applying through mobile devices. To commence the application process, borrowers provide essential information, including bank account details, existing credit card information, educational background, marital status, occupation, and income range.

Upon completion of the credit assessment, eligible borrowers may apply for loans within the approved credit limit, with repayment terms spanning from 1 month to 12 months for cash loans. The average loan amounts for our standard loan products in Indonesia in the past three years were RMB1,066 in 2023, RMB1,091 in 2024 and RMB1,018 (US\$146) in 2025. The average loan amounts for our standard loan products in the Philippines in the past three years were RMB620 in 2023, RMB651 in 2024 and RMB692 (US\$99) in 2025. Borrowers across various credit score tiers are subject to different credit limits and borrowing costs.

The associated borrowing costs for our standard loan products in the overseas markets typically include loan interest payable to institutional funding partners. Borrowers may also incur a guarantee service fee in certain instances for services provided by insurance companies. Our standard loan products in the overseas markets typically feature fixed monthly repayments, primarily consisting of principal, interest, loan facilitation service fees and, if applicable, guarantee service fees.

Other loan products

In addition, we offer other products and will continue to develop new products from time to time. For example, we collaborate with several third parties to offer their customers loan products similar to our standard ones but with varied features, such as more preferential interest rates. As part of our strategy to expand loan product offerings, we have developed and are developing new loan products. As our business develops, we will continue to expand our loan product offerings to meet demands from different tiers of borrowers.

Services Offered to Institutional Funding Partners

We introduce borrowers to our institutional funding partners and offer preliminary credit assessment services, along with quality assurance commitments for the repayment of a substantial majority of the loans they fund, and provide other post-loan services to them throughout the loan cycle.

Currently, our institutional funding partners primarily include commercial banks, internet or digital banks, private banks, consumer finance companies, micro-loan companies and trust management companies. Generally, these institutional funding partners directly provide loans to the borrowers we introduce using their own funds.

Capital light model in China

We launched our capital light model in 2020 as part of our strategic transition from a traditional, credit risk-bearing loan facilitator to a technology enabler. Under this model, we facilitate transactions between prospective borrowers and institutional funding partners without assuming credit risk on the loans extended by our funding partners to the borrowers we introduce.

For loans facilitated under our capital light model, we generate income through service fees provided by our financial institutions, third-party lending platforms, and other partners based on pre-negotiated terms, which vary by case. Our service fee rate is typically a percentage of the pricing rate set by our partners on the loans.

Our Platforms and Transaction Process

We incorporate advanced technology into the transaction process on our platforms to provide a better experience to our borrowers and our institutional funding partners. The entire process appears simple, seamless and efficient but our platforms leverage sophisticated, proprietary technology to make it possible.

Set forth below is a general description of the transaction process of our standard loan products facilitated on our platform in China. The transaction process for our standard loan products facilitated on our platforms in overseas markets is largely similar.

Step 1: Initial Application

Prospective borrowers can initiate applications online anytime, anywhere through our mobile applications. The application process for our standard loan products typically takes only a few minutes. If the application is initiated via mobile applications, applicants may provide requested personal details and take a real-time selfie holding their identity documentation. Small business owners are also given the option to upload their business license to our system.

Step 2: Fraud Detection and Credit Assessment

After receiving loan applications, our system gathers data from various sources, including information provided by applicants, third-party data partners, and internet sources with authorization. This data includes background details, behavior patterns and credit history. For repeat borrowers, historical loan performance data accumulated on our platforms is also incorporated into the borrowers' profile.

We use an anti-fraud model to detect fraudulent behavior, employing advanced methods to analyze individual and collusive fraud. If fraud is detected, we notify the applicant or proceed with the application if no fraud is found.

Following the fraud detection, we initiate a credit review process using our proprietary Magic Mirror Model to generate a Magic Mirror score for the prospective borrower. Each Magic Mirror score corresponds to a credit level in the range of I to VIII, with Level I representing the lowest risk and Level VIII representing the highest risk. See “—Risk Management—Proprietary Credit Scoring and Risk Pricing Models.” Applicants classified as Level VIII will be declined, and applicants falling under other credit levels will be assigned by our risk pricing system the approved credit amounts, maximum loan terms and applicable interest rates and other loan characteristics which are determined based on their respective Magic Mirror scores. In 2025, almost all of loan applications in China were automated without manual review. Approved applicants are connected with our institutional funding partners, while others are directed to third-party platforms. If they pass those platforms' assessments, we charge service fees to the platforms.

Step 3: Loan Listing and Funding

Our institutional funding partners typically provide loans with their own funds directly to the borrowers we introduced. After obtaining our preliminary credit assessment and approval, borrowers may submit the final loan amount and loan term within the parameters of the credit approval. Our proprietary system then matches and refers qualified borrowers to our institutional funding partners based on their specific requirements of borrower profiles, such as credit limits or ticket size. Our institutional funding partners will then review the credit application and our preliminary credit assessment of the borrower we introduced in accordance with their own credit assessment standards and decide to approve or decline the loan application. Once the borrower's credit application is approved, our institutional funding partners will then directly disburse the loan amounts to the borrower's bank account.

For a substantial majority of loans we facilitate on our platform in China, we engage third-party guarantee companies or use our own guarantee company to provide financing guarantees to our institutional funding partners for the full repayment of loans. However, there are instances where we provide financing guarantees for only a portion of the loan repayment, or in some cases, none at all. Please refer to “Item 4. Information on the Company—B. Business Overview—Quality Assurance Commitments for Our Institutional Funding Partners” for further details.

For a small portion of loans, we collaborate with third-party trust management companies. Our collaboration with those third-party trust management companies involves setting up trusts, in some of which we invested to provide loans to borrowers we introduce. For more details, see “Item 3. Key Information—D. Risk Factors—Risks Related to Our Business—We collaborate with third-party trust management companies to set up trusts. We may be deemed to be an illegal financial institution under such trust arrangement, which may materially and adversely affect our business and financial condition.”

Step 4: Loan Servicing and Collection

Borrowers can repay loans through our online platform based on the terms and conditions outlined in the loan agreements between borrowers and institutional funding partners. For borrowers unable to repay loans online, we accept bank transfers on behalf of our institutional funding partners. Borrowers and institutional funding partners can monitor loan performance in real-time.

Before each scheduled repayment date, borrowers are required to deposit adequate funds, covering the principal, interest, and any applicable late payment penalties and guarantee service fees, into their respective accounts. Additionally, they authorize institutional funding partners, us, and third-party payment companies designated by us or institutional funding partners to transfer the corresponding amounts on the repayment date. This transfer includes the principal, interest, and, if applicable, late payment penalties and guarantee service fees to the respective institutional funding partners and third-party guarantee companies.

Our institutional funding partners subsequently pay us transaction service fees for the services we provided. Additionally, we may also receive transaction service fees from third-party guarantee companies under certain circumstances for services rendered to them.

We have a collection team of over 1,100 employees in China as of December 31, 2025 and have developed a systematic process to handle collection of delinquent loans. Upon becoming delinquent, a loan enters into our collection process, which is divided into stages based on severity of delinquency. The first 90-day collection period is typically handled by our collection team although we also engage third-party loan collection service providers to assist us from time to time. Primary collection measures, including text message reminders, phone calls, legal letters and legal proceedings, are taken in succession as a loan becomes increasingly overdue. If a loan remains overdue after the 90-day period, we then outsource loan collection to third-party service providers to optimize collection efficiency.

Risk Management

Our strong risk management capabilities are one of the key competitive advantages that enable us to make credit available to the large unserved or underserved population in each market, whose credit histories have yet been recorded in this market’s developing credit system, while maintaining a sustainable business at a healthy profitability level.

Data Aggregation

We have invested significant resources in building up a comprehensive credit database since our inception. Today, we own an extensive database with several thousands of variables for our borrowers, covering a wide range of information pertinent to a borrower's creditworthiness and presenting a user profile from a 360-degree view. Data are aggregated from a number of sources. We have cooperation with a number of organizations, such as industry associations, who grant us the access to their respective data. Our strong data-mining capabilities, which we believe differentiate us from many other players in the online consumer finance industry. We have developed a number of proprietary automated programs that are capable of searching, aggregating and processing data from the internet in a short period of time. Another important component of our credit database is the payment histories of our prior and existing borrowers. We take various measures to ensure high level of reliability and accuracy of data. The following are typical data that we seek to collect for each loan application:

- historical credit data accumulated through our online platform;
- behavioral data that we glean from an applicant's behaviors as they apply for loans;
- personal identity information maintained by an organization operated under the Ministry of Public Security;
- background information, such as income level, education level and marital status, collected from prospective borrowers;
- list and database of fraud cases; and
- credit data from the credit bureau in the markets where we operate.

Upon the data aggregation, our system converts the originally unstructured data and structured data into credit scores using machine learning techniques.

Fraud Detection

We have been working closely with multiple partners in a joint effort to identify emerging fraudulent schemes, scams, trends, threats, and criminal organizations and have accumulated data related to fraud. The database we maintain helps us to fine-tune the rules we set and enhance our fraud detection capabilities. We have adopted a multifaceted fraud detection method. First, we set up rules based on known fraud cases to filter activities for fraudulent behaviors. Afterwards, we apply advanced network techniques to identify relationships pertinent to fraud and connect the individual fraudulent activities to uncover complex fraud schemes and criminal organizations. In addition, we run anomaly detection to detect individual and aggregated abnormal patterns in order to catch unknown fraud behaviors. If available information is insufficient for our system to draw a conclusion, the loan applications will be forwarded to our anti-fraud team for offline verification, which involves members of our anti-fraud team speaking with applicants to inquire after any inconsistencies in a loan application.

Proprietary Credit Scoring and Risk Pricing Models

In August 2014, we developed and launched a proprietary credit scoring model, known as the Magic Mirror Model, which we believe represents one of our key competitive advantages. Our Magic Mirror Model leverages a huge database that we have built up gradually through our years of operations. Such a vast amount of data lays a strong foundation for our use of machine learning to optimize the Magic Mirror Model on a continuing basis.

Following data aggregation and fraud detection, prospective borrowers enter into the credit assessment phase. Different algorithms are applied to prospective borrowers with different features in assessing the potential risks associated with them. Based on the assessment results, our credit scoring model generates Magic Mirror scores for each of the prospective borrowers. A new Magic Mirror credit score is generated each time a borrower applies for a loan, which may change the borrower's credit limit for that type of loan. We apply various machine learning techniques to the data collected. Through monitoring model performance as well as variable consistency, our system is able to evaluate the effectiveness of existing variables while discovering new ones. The Magic Mirror Model then is optimized by adjusting the group of variables used. The following factors are associated with variables that are important for assessing the probability of delinquency:

- repayment history
- personal identity information

- education
- consumption behavior
- credit reports
- fraudulent records
- third-party supplementary data

For applicants of our standard loan products, the Magic Mirror score derived from our proprietary credit scoring model is used to determine which of the eight segments in our existing credit grid such applicants fall into. Among the eight segments, Level I represents the lowest risk associated with the borrowers, while Level VIII represents the highest risk. Level VIII loan applications will be rejected. Once a credit level is assigned to a specific loan, it will not be changed during the tenor of the loan.

We review and modify our segmented pricing from time to time, taking into consideration not only the borrower credit risk but also other factors, such as market interest rates, adequacy of investor protection mechanisms and competition in the market.

Quality Assurance Commitments for Our Institutional Funding Partners

We provide quality assurance commitments to our institutional funding partners for the majority of the loans they have funded.

Financing guarantee. We collaborate with licensed third-party financing guarantee companies to provide financing guarantees to our institutional funding partners. In cases of borrower default, the corresponding third-party guarantee company is obligated to repay the full overdue amount to the institutional funding partner. Upon the guarantee company's repayment, we are then obliged to purchase creditor's rights from them at a price equivalent to the amount repaid. In certain instances, we also offer security deposits to third-party financing guarantee companies for loans funded by specific institutional funding partners as an additional quality assurance commitment. Furthermore, we established three financing guarantee companies in Fujian, Tianjin, and Hainan in 2019 and 2020. Our own financing guarantee companies may directly provide financing guarantees to institutional funding partners for loans they funded.

Technology

The success of our business is dependent on our strong technological capabilities that support us in delivering superior user experience, protecting information on our platforms, increasing operational efficiency and enabling innovations. Principal components of our state-of-the-art technology include:

- *Data Science.* We use data science technology extensively in various aspects of our operations. Our data mining and user behavior analytics capabilities allow us to build a comprehensive credit profile for each borrower. Our multi-dimensional real-time analytics capabilities enable fast and accurate credit decisions. We also use data-based machine learning in numerous applications, such as improving fraud detection, optimizing marketing resource allocation and increasing collection efficiency.
- *Artificial Intelligence.* We integrate artificial intelligence across our operations, leveraging our proprietary E-LADF LLM Application Framework in machine learning, graph algorithms, computer vision, and natural language processing. These technologies are applied to precision marketing, fraud detection, risk assessment, and post-loan management to enhance operational efficiency and risk mitigation. Key proprietary platforms include Ming Mirror, which utilizes knowledge graph technology for fraud detection; RTA, a high-capacity, low-latency precision marketing system; and BluAI, an intelligent voice assistant that automates customer interactions across marketing and collections. We also employ large language models to analyze unstructured data for credit assessment, and have implemented AI-powered tools such as XCoder and intelligent virtual agents to support coding, customer acquisition, and compliance processes.

- *Security.* We are committed to maintaining secure online platforms. We have built a firewall that monitors and controls incoming and outgoing traffic on our platforms around the clock. Once any abnormal activity is detected, our system will immediately notify our IT team and at the same time automatically take measures, such as activating third-party traffic control service, to prevent any harm to our platforms. For any transmission of user information, we use data encryption to ensure confidentiality. Within our organization, we have adopted a series of policies on internal control over information systems, including physical security measures, such as entry and equipment control, and network access management, such as identification, authentication and remote access control. We employ data slicing and distribute the storage of a user’s data points across several servers. We also maintain redundancy through a real-time multi-layer data backup system to prevent loss of data resulting from unforeseen circumstances. We conduct periodic reviews of our technology platforms, identifying and correcting problems that may undermine our system security.
- *Stability.* Our systems infrastructure is primarily hosted in data centers at two separate locations in Shanghai. We maintain redundancy through a real-time multi-layer data backup system to ensure the reliability of our network. Our platforms adopt modular architecture that consists of multiple connected components, each of which can be separately upgraded and replaced without compromising the functioning of other components. This makes our platforms both highly reliable and scalable.
- *Scalability.* With modular architecture, our platforms can be easily expanded as data storage requirements and user visits increase. In addition, load balancing technology helps us improve distribution of workloads across multiple computing components, optimizing resource utilization and minimizing response time.
- *Automation.* In addition to the foregoing technologies we employ to support our highly automated platforms, we have taken various measures to ensure the uninterrupted operation of our platforms. For example, we have adopted self-recovery technology that enables our system to perceive malfunctions and make the necessary adjustments to restore itself to normal operation without any human intervention. Also, our system is connected with systems of multiple data providers that serve as backups for each other. If services provided by one data provider are suspended, our system will shift to the backup sources automatically to ensure no interruption to our operation.

Intellectual Property

We rely on a combination of patent, copyright, trademark and trade secret laws and restrictions on disclosure to protect our intellectual property rights. As of March 31, 2026, we had (i) 228 patent applications and 53 registered patents in China and other jurisdictions, including our proprietary facial recognition technology used for fraud detection, (ii) 317 registered computer software copyrights, (iii) 280 registered domain names, including www.ppdai.com, and (iv) 413 trademark registrations in China and other jurisdictions, including our “Finvolution,” “PPDAI,” “信也,” “拍拍贷” and “魔镜” trademarks.

Despite our efforts to protect our proprietary rights, unauthorized parties may attempt to copy or otherwise obtain and use our technology. Monitoring unauthorized use of our technology is difficult and costly, and we cannot be certain that the steps we have taken will prevent misappropriation of our technology. From time to time, we may have to resort to litigation to enforce our intellectual property rights, which could result in substantial costs and diversion of our resources. In addition, third parties may initiate litigation against us alleging infringement of their proprietary rights or declaring their non-infringement of our intellectual property rights. In the event of a successful claim of infringement and our failure or inability to develop non-infringing technology or license the infringed or similar technology on a timely basis, our business could be harmed. Even if we are able to license the infringed or similar technology, license fees could be substantial and may adversely affect our results of operations. See “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.”

Sales and Marketing

Our market position benefits significantly from our large user base and our strong brand recognition throughout China and overseas markets. We believe that our variety of loan products that offer attractive returns, as well as our effective risk management and various protection mechanisms, lead to strong word-of-mouth promotion, which drives awareness of our brand among our users and business partners.

We use a variety of traditional and internet marketing channels to acquire borrowers although most of our borrowers are acquired online. Our borrower acquisition channels mainly include:

- *Online Advertising.* From time to time, we work with App Stores to promote our mobile applications and with internet companies to place online advertisements.
- *Online Partnerships.* We team up with certain websites that are able to reach quality borrowers to provide consumer finance services to their customer.
- *Search Engine Marketing.* We also use paid placement on major online search engines in the markets where we operate.
- *Offline Direct Sales Team.* We have also established an offline direct sales team with deep experience in customer acquisition in offline small and micro enterprise scenarios.

Competition

Online consumer finance is an emerging industry. It provides a new means for consumers to obtain financing. As a leading player in the online consumer finance market in China and the overseas markets, we face intensive competition from other online platforms, online finance service providers, and technology giant backed internet finance platforms, as well as traditional financial institutions. Consumer finance platforms which operate online platforms connecting borrowers and institutional funding partners compete directly with us for both borrowers and institutional funding partners. We also compete with traditional financial institutions, including credit card issuers, consumer finance business units in commercial banks and other consumer finance companies. Some of our larger competitors have substantially broader product or service offerings and rich financial resources to support heavy spending on sales and marketing. We believe that our ability to compete effectively for borrowers and institutional funding partners depends on many factors, including the variety of our products, user experience on our platforms, effectiveness of our risk management, the return offered to institutional funding partners, our partnership with third parties, our marketing and selling efforts and the strength and reputation of our brands.

Seasonality

We experience seasonality in our business, reflecting seasonal fluctuations in internet usage and traditional personal consumption patterns, as our borrowers typically use their borrowing proceeds to finance their personal consumption needs. For example, we generally experience lower transaction volume on our online consumer finance platform during public holidays in China, particularly during the Chinese New Year holiday season in the first quarter of each year. As we cooperate with institutional funding partners, such as commercial banks, our business may also be affected by liquidity seasonality in the banking system. For example, liquidity in China's banking sector has historically had a tendency to be looser at the beginning of each calendar year and tighter towards the end of each calendar year. Overall, the seasonality of our business may increase in the future.

Regulations in the PRC

This section sets forth a summary of the most significant laws, rules and regulations that affect our business activities in the PRC and our shareholders' rights to receive dividends and other distributions from us.

Regulations Relating to Online Consumer Finance Services

Regulations on lending activities

In December 2017, the Notice on Regulating and Rectifying “Cash Loan” Business was promulgated by the Internet Finance Rectification Office and the Online Lending Rectification Office. This notice specifies the features of “cash loans” as not relying on consumption scenarios, with no specified use of loan proceeds, unsecured, and with no qualification requirement on customers, among others. It also sets forth several general requirements regarding “cash loan” business, including but not limited to: (i) the aggregated borrowing costs of borrowers charged by financial institutions in the forms of interest and various fees should be annualized and subject to the limit on the interest rate of private lending set forth in the Provisions on Several Issues Concerning Laws Applicable to Trials of Private Lending Cases issued by the Supreme People’s Court; (ii) all financial institutions are required to follow the “know-your-customer” principle and prudentially assess and determine the borrower’s eligibility, credit limit, and cooling-off period; (iii) all financial institutions are required to enhance internal risk control and prudentially use the “data-driven” risk management model; (iv) all financial institutions are prohibited from providing any loans to any persons without a repayment source or repayment capacity, or loans with no designated use of proceeds; (v) funds from banks cannot be used for “cash loans” or “campus loans”; and (vi) in cases where a financial institution participates in the “cash loan” business, third parties are not allowed to charge borrowers any interest or fees. This notice further provides that financial institutions cooperating with third parties to engage in lending business (i) are not allowed to outsource any core lending business operations, such as credit assessment and risk management, to third parties, (ii) are not allowed to accept any credit enhancement provided by third parties without a license or approval to provide guarantees, including credit enhancement services in the form of a commitment to assume default risks, (iii) should comply with the judicial interpretations by the Supreme People’s Court of the PRC regarding interest rates in private lending concerning the annual borrowing cost charged to a borrower, i.e., interest plus other fees, and (iv) should ensure that third parties do not collect any interest or fees from borrowers. Any violation of the Notice on Regulating and Rectifying “Cash Loan” Business may result in penalties, including but not limited to suspension of operation, orders to rectify, condemnation, revocation of a license, orders to cease business operations, and even criminal liabilities.

On January 30, 2024, the National Financial Regulatory Administration promulgated the Measures on the Administration of Personal Loans, which stipulate that (i) several conditions must be met to apply for a personal loan, including, but not limited to: (a) clear and legal purposes for the loan, (b) reasonable amounts, terms, and currencies as indicated in the loan application, and (c) willingness and ability of the borrower to make repayments, with a good credit standing and no record of bad credit; (ii) loan investigations must cover, but are not limited to, the borrower’s basic information, earnings, loan purposes, source of funds, ability to repay, and repayment method; and (iii) the lender may not delegate core risk management matters, such as assessing the borrower’s genuine intentions, earnings, indebtedness, source of funds, and the evaluation of service providers, to a third party.

On August 6, 2015, the Supreme People’s Court issued the Provisions on Several Issues Concerning Laws Applicable to Trials of Private Lending Cases. These provisions state that agreements between lenders and borrowers on loans with interest rates below 24% per annum are valid and enforceable. For loans with interest rates per annum between 24% (exclusive) and 36% (inclusive), if the interest has already been paid to the lender, and as long as such payment has not damaged the interests of the state, community, or any third parties, the courts will reject the borrower’s request to demand the return of excess interest payments. If the annual interest rate of a private loan exceeds 36%, the agreement on the excess interest is invalid. If the borrower requests the lender to return the portion of interest exceeding 36% of the annual interest that has been paid, the courts will support such requests. All interest rates of our loan products are below 36%.

On August 4, 2017, the Supreme People’s Court issued the Circular of Several Suggestions on Further Strengthening Judicial Practice Regarding Financial Cases, which provides, among other things, that (i) borrowers’ claims under financial loan agreements to adjust or reduce interest exceeding 24% per annum, based on the aggregate amount of interest, compound interest, default interest, liquidated damages, and other fees claimed by the lender being excessively high, shall be supported by PRC courts; (ii) in the context of Internet finance disputes, if online lending information intermediary platforms and lenders circumvent the judicially protected interest rate limit by charging intermediary fees, it shall be deemed invalid; and (iii) private lending transactions are defined as loans between individuals, legal persons, and other organizations. Loans funded by financial institutions licensed by financial regulatory authorities are not considered private lending transactions.

On August 20, 2020, the Supreme People's Court issued the Decision on Amending the Provisions on Several Issues Concerning Laws Applicable to Trial of Private Lending Cases, which was further amended by the Supreme People's Court on December 29, 2020. These amendments revised the upper limit of private lending interest rates under judicial protection. The amendments provide that when the lender requests the borrower to pay interest in accordance with the agreed-upon interest rate in the agreement, the people's court will support such request, except where the interest rate agreed by both parties exceeds four times the one-year Loan Prime Rate at the time of the establishment of the agreement, or the Quadruple LPR Limit. The one-year Loan Prime Rate refers to the one-year loan market quoted interest rate issued by the National Bank Interbank Funding Center, authorized by the People's Bank of China on the 20th of each month since August 20, 2019. According to these amendments, the upper limit of interest rates of 24% and 36% provided in the 2015 Private Lending Judicial Interpretation are replaced by the Quadruple LPR Limit. Moreover, if the lender and the borrower agree on both the overdue interest rate and the liquidated damages or other fees, the lender may choose to claim any or all of them, but the portion in total exceeding the Quadruple LPR Limit may not be supported by the people's court. These amendments apply to new first-instance cases of private lending disputes accepted by the People's Court after the implementation of the Judicial Interpretation Amendment on August 20, 2020. If the lending occurred before August 20, 2019, the upper limit of the protected interest rate can be determined by referring to four times the one-year Loan Prime Rate at the time of the plaintiff's filing of the lawsuit.

On January 21, 2021, in the response letter to the Guangdong High People's Court regarding the inquiry on the scope of application of these amendments issued by the Supreme People's Court, it further clarifies that seven types of financial organizations, including micro-loan lending companies and financing guarantee companies, are financial institutions licensed by the financial administrative authorities, and the disputes arising out of their financial business activities do not apply to these amendments. However, as the regulatory authorities have wide discretion in the administration, interpretation, and enforcement of the laws and regulations, we cannot rule out the possibility that the regulatory authorities may hold different opinions on whether the Quadruple LPR Limit applies to the loans funded by financial institutions on our platforms. For example, according to the Notice on Regulating and Rectifying "Cash Loan" Business, promulgated by the Internet Finance Rectification Office and the Online Lending Rectification Office in December 2017, in the context of "cash loan" business operated by various types of institutions, the aggregated borrowing costs of the borrower charged in the forms of interests and all kinds of fees should be annualized and subject to the upper limit on interest rate of private lending set forth in the judicial interpretations issued by the Supreme People's Court. On March 31, 2021, the People's Bank of China released PBOC No. 3 Announcement, which stipulates, among others, that the annual interest rate of a loan should be the annualized form of ratio calculated based on the percentage of all expenses charged from the borrower for the borrowing to the principal actually borrowed by this borrower. The expenses charged from the borrower include the interests and the various expenses directly related to the borrowing. If the loan is repaid in installments, the remaining principal after the deduction of the total repaid principal should be deemed as the actual borrowed principal when calculating the annual interest rate. Compound interest rate and simple interest rate are both allowed to be used to calculate the annual interest rate, provided that if the simple interest rate is used, it should be explicitly disclosed to the borrower. PBOC No. 3 Announcement applies to deposit-taking financial institutions, consumer finance companies, microloan companies, and internet platforms providing loan application services like us. See "Item 3. Key Information—D. Risk Factors—Risks Related to Our Business—Interest rates of certain of our loan products may exceed the statutory interest rate limit and therefore part of the interests may not be enforceable through the PRC judicial system."

On April 3, 2025, the National Administration of Financial Regulation issued the Notice on Strengthening the Supervision of Online Lending Business and Promoting Financial Services, effective from October 1, 2025. It mandates, among other things, the following key provisions: (i) bank headquarters shall maintain and publicly disclose on their official websites and mobile applications a whitelist of partnered online lending platforms; (ii) banks shall implement risk-based pricing mechanisms aligned with borrowers' credit risks; (iii) banks shall make sure in the cooperative agreements that online lending platforms are prohibited from charging interest or other fees to borrowers, and credit enhancement service providers are prohibited from charging service or consultation fees, as such practices are deemed to increase credit enhancement fees in a disguised form; (iv) banks shall ensure that borrowers' comprehensive costs are in compliance with Circular of Several Suggestions on Further Strengthening the Judicial Practice Regarding Financial Cases promulgated by the Supreme People's Court on August 4, 2017, which stipulates that the aggregate amount of interest, compound interest, default interest, liquidated damages and other fees exceeding 24% should not be supported by the PRC courts; and (v) banks and online lending platforms must fully disclose key information, including but not limited to lenders, annualized interest rates, credit enhancement providers and fees, annualized funding costs, post-default interest and costs, and must clearly state that no other fees will be charged to borrowers. These requirements also apply to consumer finance companies and trust companies engaged in online lending business.

On September 11, 2025, the National Financial Regulatory Administration promulgated the Measures for the Administration of Trust Companies, which came into force on January 1, 2026. The Measures for the Administration of Trust Companies requires that the business scope of trust companies includes asset service trusts, asset management trusts, charitable public welfare trusts, etc. Channel business, fund pool business, and illegal related-party transactions are prohibited. The Measures require trust companies to establish and improve mechanisms for corporate governance, risk management, information disclosure, and internal and external audit, and to strengthen management of net capital and risk reserves.

On March 15, 2026, the National Financial Regulatory Administration and the People's Bank of China jointly promulgated the Provisions on Disclosure of the Comprehensive Borrowing Costs for Personal Loan Business, effective from August 1, 2026. The provisions require financial institutions to itemize items such as interest rates, installment fees, credit enhancement fees, and contingent costs arising from defaults, as well as identify the financial institutions or their cooperating entities that collect such interest and fees.

On April 24, 2026, the People's Bank of China, National Financial Regulatory Administration, Cyberspace Administration of China, and five other regulatory authorities jointly promulgated Administrative Measures for Online Marketing of Financial Products, or the Online Marketing Measures, which will take effect on September 30, 2026. It provides, among others, that (i) financial products include a wide array of products and services, among which are loan products; (ii) financial institutions with operational regional restrictions shall identify the client's region and provide the financial products only to clients in the permitted regions; (iii) online platforms shall not direct financial clients to other third-party platforms without financial license; (iv) online platforms are prohibited from inducing clients by preferential initial payment fees, and from using misleading terms such as "low threshold", "drawdown in seconds", "low interest rate", etc; and (v) online platforms are prohibited from utilizing algorithm model to induce excessive consumption. The Online Marketing Measures has recently been promulgated and there are a lot of uncertainties about its interpretations and impact on our business. We may need to adjust our business models with our institutional funding partners and third-party online lending platforms. We cannot assure you that such adjustments can be made in a timely or cost-efficient manner, nor that cooperation with third-party platforms will continue in the future. Additionally, we may be required to change our online ads for compliance with the Online Marketing Measures, which would affect user acquisition. Failure to comply may result in penalties, including business termination, fines, and potential criminal liability

As our institutional funding partners include commercial banks, consumer finance companies, and trust companies, they are required to evaluate and review us as mandated by the Notice on Strengthening the Supervision of Online Lending Business and Promoting Financial Services and the subsequent laws and regulations issued by the regulation authorities. If any of our institutional funding partners identifies any inadequacies in our evaluation and review, they may terminate their cooperation with us, which could materially and adversely affect our business and operating results. Furthermore, as an intermediary between institutional funding partners and borrowers, we cannot assure you that all the institutional funding partners we cooperate with have been and will continue to be in strict compliance with the Notice on Strengthening the Supervision of Online Lending Business and Promoting Financial Services and the relevant laws and regulations issued by regulatory authorities.

Regulations on illegal financial institutions and intermediaries

Under the Measures for the Ban on Illegal Financial Institutions and Illegal Financial Business Operations, issued by the State Council on July 13, 1998, any entity engaging in financial activities without approval from the People's Bank of China may be classified as an illegal financial institution. This includes providing loans without the necessary approval from the People's Bank of China, which is considered an illegal financial business operation. Given the rapid evolution of the online consumer finance industry and the changing regulatory landscape since the enactment of these measures, there is ambiguity surrounding their interpretation and applicability to our operations. If we are deemed an illegal financial institution, we may be subject to penalties, including confiscation of illegal gains together with a fine from one to five times the illegal gains, or a fine of RMB100,000 to RMB500,000 if there are no illegal gains, and criminal liability if the violation constitutes a criminal offense. See "Item 3. Key Information—D. Risk Factors—Risks Related to Our Business—We may be deemed to use our own funds to finance certain loans and therefore be subject us to regulatory risks."

In addition, the Supreme People's Court, the Supreme People's Procuratorate, the Ministry of Public Security, and the Ministry of Justice jointly issued the Guidance on Several Issues Regarding Illegal Lending in Criminal Cases on July 23, 2019. This guidance provides, among other things, that (i) if any entity or individual engages in providing loans to unspecified individuals consistently for profit and without approval from regulatory authorities or outside its business scope, thus disturbing the stability of financial markets, such entity or individual may face a criminal charge of unfair competition and may be subject to criminal liability in accordance with applicable laws and regulations. "Providing loans to unspecified individuals consistently" refers to providing loans to entities and individuals no fewer than ten times within two years; and (ii) if the actual annual interest rate of loans provided by such entity or individual exceeds 36%, it would be deemed an aggravating circumstance when such entity or individual faces the aforementioned criminal charge of unfair competition. There are uncertainties regarding the interpretation of this guidance, and it is still unclear how regulatory authorities will interpret and implement it in the future.

Regulations on financial guarantee

The Regulations on the Administration of Financing Guarantee Companies were promulgated by the State Council on June 21, 2017, and took effect on October 1, 2017. According to these regulations, the establishment of financing guarantee companies should be subject to the approval of the competent government authority, and unless otherwise stipulated, no entity is allowed to operate the financing guarantee business without such approval. If any entity operates the financing guarantee business without such approval, the entity may face penalties, including termination or suspension of business, fines of RMB500,000 to RMB1,000,000, confiscation of illegal gains if any, and if the violation constitutes a criminal offense, criminal liability shall be imposed in accordance with the applicable laws and regulations.

In October 2019, the China Banking and Insurance Regulatory Commission, together with eight other regulatory agencies, jointly promulgated the Supplemental Rules to the Administration of Financing Guarantee Companies, which provides that any entity providing client referral or credit assessment services to the lending institutions may not provide financing guarantee services in a direct or a disguised form without the regulatory approval. If any entity operates financing guarantee business without appropriate approval, its business operations will be banned by the regulatory authorities, and it will be required to properly settle existing business.

On December 31, 2021, the People's Bank of China published the Regulations on the Local Financial Supervision and Administration (Draft for Comments), which stipulate that, among others, (i) the local financial organizations should primarily serve their local clients; (ii) the guidance for local financial organizations to carry out business outside provinces where they are registered should be made by the State Council or financial regulatory authorities designated by the State Council; (iii) six types of financial organizations, including financing guarantee companies and micro-lending companies, are deemed as local financial organizations; (iv) a transition period will be given to the organizations carrying out business outside provinces before the effectiveness of the draft by the financial regulatory authorities; and (v) organizations carrying out business outside provinces without approval of the competent provincial regulatory authorities may be subject to penalties, including correction orders, confiscation of illegal gains or fines, cessation of business operations, and revocation of business license. As of the date of this annual report, the draft regulations have not yet been promulgated into law.

Regulations on anti-money laundering

The PRC Anti-money Laundering Law, promulgated by the People's Bank of China on October 31, 2006, and effective since January 2007, stipulates that special non-financial institutions, which are required by applicable regulations to fulfill anti-money laundering obligations, must comply with these obligations. The People's Bank of China and other governmental authorities issued a series of administrative rules and regulations to specify the anti-money laundering obligations of financial institutions and special non-financial institutions.

In October 2018, the People's Bank of China, the China Banking and Insurance Regulatory Commission, and the CSRC jointly issued the Anti-money Laundering and Anti-terrorism Financing Administrative Measures for Internet Finance Institutions, providing that internet finance institutions are obliged to accept the anti-money laundering and anti-terrorism financing inspections conducted by the People's Bank of China and its branches. These measures also authorized the establishment of the internet finance anti-money laundering and anti-terrorism financing monitoring platform by the National Internet Finance Association, under the instruction of the People's Bank of China and other financial governmental authorities, to enhance online monitoring mechanisms and information sharing among institutions.

Regulations Relating to Credit Reference Activities

On January 21, 2013, the State Council promulgated the Regulations on Credit Reference, which provide that any person or organization conducting personal credit reference business without approval from the competent credit reference administrative department of the State Council may face penalties. These penalties include cessation of business operations, confiscation of illegal gains, fines ranging from RMB50,000 to RMB500,000, and even criminal liability.

On September 27, 2021, the People's Bank of China issued the Measures for Regulating Credit Reference, which came into effect on January 1, 2022. These measures stipulate that credit information includes basic information, loan information, other related information, and analysis and evaluation information generated from the foregoing information of enterprises and individuals for identifying their credit status. Credit reference business refers to the activities of collecting, sorting, storing, and processing the credit information of enterprises and individuals, and providing them to the information users. The individual credit reference institution license issued by the People's Bank of China is required for engaging in the individual credit reference business. Licensed individual credit reference institutions must report to the People's Bank of China regarding their cooperation with any information provider for collecting, sorting, storing, and analyzing individual credit information. Additionally, financial institutions are not allowed to cooperate with any commercial entity that does not hold a credit reference license to obtain credit reference service. Violators of these rules may face penalties, including cessation of business operations, confiscation of illegal gains, fines ranging from RMB50,000 to RMB500,000, and even criminal liability.

Regulations Relating to Foreign Investment

Investment activities in the PRC by foreign investors are governed by the Guidance Catalog of Industries for Foreign Investment, which is promulgated and amended from time to time by the Ministry of Commerce of the PRC and the National Development and Reform Commission. This guidance divides industries into three categories in terms of foreign investment: “encouraged,” “restricted,” and “prohibited,” and all industries not listed under one of these categories are generally deemed to be permitted. Unless otherwise provided by applicable laws and regulations, foreign investors are generally not allowed to own more than 50% of the equity interests in value-added telecommunications service providers in China, as stipulated by the Guidance Catalog of Industries for Foreign Investment promulgated in 2007, most recently amended by the Special Administrative Measures for the Access of Foreign Investment (Negative List) in 2021. According to these measures, the foreign equity interest ownership of entities that engage in value-added telecommunications business (except for e-commerce, domestic multi-party communications, storage and forwarding classes, and call centers) may not exceed 50%. Foreign investors investing in sectors with restrictions must comply with the specified requirements outlined in these measures.

On March 15, 2019, the National People’s Congress enacted the Foreign Investment Law of the PRC, which came into effect on January 1, 2020, and replaced 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 of the PRC sets a general principle that foreign investors and their investments in China will enjoy national treatment and are subject to a negative list. It embodies an expected PRC regulatory trend to rationalize its foreign investment regulatory regime in line with prevailing international practice and legislative efforts to unify the corporate legal requirements for both foreign and domestic investments. However, uncertainties still exist regarding its interpretation and implementation. For instance, under the Foreign Investment Law of the PRC, “foreign investment” refers to 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 activity under the definition in the future. In addition, the definition contains a catch-all provision that includes investments made by foreign investors through means stipulated in laws or administrative regulations or other methods prescribed by the State Council. On December 26, 2019, the State Council promulgated the Implementation Regulations on the Foreign Investment Law, which came into effect on January 1, 2020. However, the Implementation Regulations on the Foreign Investment Law still do not explicitly define whether contractual arrangement would be deemed as a form of foreign investment. 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.

Foreign investment in telecommunications companies in the PRC is governed by the Provisions for the Administration of Foreign-Invested Telecommunications Enterprises, which were promulgated by the State Council on December 11, 2001, and most recently amended on April 7, 2022. These provisions prohibit a foreign investor from holding over 50% of the total equity interest in any value-added telecommunications service provider in China, unless otherwise provided.

Regulations Relating to Internet Companies

Regulations on value-added telecommunication services

The Telecommunications Regulations of the PRC, promulgated by the State Council on September 25, 2000 and amended on February 6, 2016, provide a regulatory framework for telecommunications services providers in the PRC. These regulations require telecommunications services providers to obtain an operating license prior to the commencement of their operations. These regulations categorize telecommunications services into basic telecommunication services and value-added telecommunications services. According to these regulations, information services provided via fixed network, mobile network and Internet fall within value-added telecommunications services. In July 2006, the Ministry of Information Industry, the predecessor of the Ministry of Industry and Information Technology, issued the Circular on Strengthening the Administration of Foreign Investment in the Operation of Value-added Telecommunications Business, which prohibits holders of these services licenses from leasing, transferring or selling their licenses in any form, or providing any resource, sites or facilities, to any foreign investors intending to conduct such businesses in China.

In July 2017, the Ministry of Industry and Information Technology promulgated the Administrative Measures on Telecommunications Business Operating Licenses. Under these regulations, a commercial operator of value-added telecommunications services must first obtain a license for value-added telecommunications business from the Ministry of Industry and Information Technology or its provincial level counterparts.

Foreign ownership of internet-based businesses, such as distribution of online information, is subject to restrictions under current PRC laws and regulations. These regulations require that the foreign investors may acquire up to 50% equity interests in foreign-invested value-added telecommunications enterprises in China. PRC regulations impose sanctions for engaging in commercial internet information services, which is a sub-set of value-added telecommunication business, without a value-added telecommunication service license for internet content provider, and sanctions for engaging in the operation of online data processing and transaction processing, which is another sub-set of value-added telecommunication business, without a value-added telecommunication service license for online data processing and transaction processing. These sanctions include rectification orders and warnings from the PRC communication administrations, fines, confiscation of illegal gains, and suspension or termination of operating of the websites and mobile applications in question.

Furthermore, as we are providing mobile applications to mobile device users, it is uncertain if any of our subsidiaries will be required to obtain a separate operating license in addition to the value-added telecommunication business operation license. We have not applied for such separate license since we have not obtained the value-added telecommunication business operation license. See “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.”

Regulation on mobile internet applications information services

In addition to the Telecommunications Regulations of the PRC and other regulations above, mobile applications are especially regulated by the Administrative Provisions on Mobile Internet Applications Information Services, which was promulgated by the Cyberspace Administration of China on June 28, 2016 and amended on June 14, 2022. The APP Provisions regulate mobile application information service providers. According to these provisions, the Cyberspace Administration of China and local offices of cyberspace administration shall be responsible for the supervision and administration of nationwide or local mobile application information, respectively. Under these provisions, mobile application information service providers are required to obtain qualifications prescribed by laws and regulations and shall be responsible for the supervision and administration of mobile application information required by laws and regulations and implement the information security management responsibilities strictly, including but not limited to: (i) to authenticate the identity information of the registered users, (ii) to protect user information, and obtaining the consent of users while collecting and using users’ personal information in a lawful and proper manner. Mobile app operators may not deny users’ access to basic functions and services of the app in the event that the users disagree with collection of unnecessary personal information, and (iii) to establish information content management mechanism, and take against any information content in violation of laws or regulations depending on circumstances.

On August 4, 2023, the Ministry of Industry and Information Technology promulgated the Notice of the Ministry of Industry and Information Technology on the Filing of Mobile Apps, which provides that app operators engaged in internet information services within China must fulfill the filing process in accordance with the applicable regulations and such operators may not engage in the app internet information service without completion of such filing.

Regulations on internet security

The National People’s Congress has enacted legislation that prohibits use of the internet that breaches the public security, disseminates socially destabilizing content or leaks state secrets. Breach of public security includes breach of national security and infringement on legal rights and interests of the state, society or citizens. Socially destabilizing content includes any content that incites defiance or violations of PRC laws or regulations or subversion of the PRC government or its political system, spreads socially disruptive rumors or involves cult activities, superstition, obscenities, pornography, gambling or violence. State secrets are defined broadly to include information concerning PRC national defense, state affairs and other matters as determined by the PRC authorities.

Internet information in China is regulated and restricted from a national security standpoint. The Standing Committee of the National People's Congress has enacted the Decisions on Maintaining Internet Security on December 28, 2000 and further amended on August 27, 2009, 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 1997, 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.

The Cyber Security Law, which was promulgated by the Standing Committee of the National People's Congress on November 7, 2016 and became effective on June 1, 2017. It was subsequently amended on October 28, 2025. Under this regulation, network operators, including online lending information service providers, shall comply with laws and regulations and fulfill their obligations to safeguard security of the network when conducting business and providing services, and take all necessary measures pursuant to laws, regulations and compulsory national requirements to safeguard the safe and stable operation of the networks, respond to network security incidents effectively, prevent illegal and criminal activities, and maintain the integrity, confidentiality and usability of network data.

On May 1, 2021, the Regulations on the Scope of Necessary Personal Information Collected by the Frequently Used Mobile Applications, jointly promulgated by the Cyberspace Administration of China, the Ministry of Industry and Information Technology, the Ministry of Public Security and the State Administration for Market Regulation came into effect, which provides, among others, that: (i) the application operators may not refuse to provide fundamental function services to the users for reason that such users refuse to provide the personal information out of the scope of necessity; (ii) the fundamental function service of online lending applications is to facilitate loans provided to the users online for use of personal consumption and business operation; and (iii) the necessary personal information includes the borrower's mobile phone number, name, bank account, as well as type, number and valid period of its identity card. The different governmental authorities, including the Ministry of Industry and Information Technology, Shanghai Communications Administration, and Cybersecurity Branch of Shanghai Public Security Bureau, have been inspecting various mobile applications on the market on the enforcement of data protection and cybersecurity and may continue to do so in the future, even with more stringent scrutiny.

The Standing Committee of the PRC National People's Congress published the Data Security Law, which took effect on September 1, 2021. The Data Security Law requires data processing, which includes the collection, storage, use, processing, transmission, provision, publication of data, to be conducted in a legitimate and proper manner. The Data Security Law provides for data security and privacy obligations on entities and individuals carrying out data activities. The Data Security Law provides a national security review procedure for those data activities which affect or may affect national security and imposes export restrictions on certain data and information. In addition, the Data Security Law also provides that any organization or individual within the territory of the PRC may not provide any foreign judicial body and law enforcement body with any data without the approval of the competent PRC governmental authorities.

On July 6, 2021, certain PRC regulatory authorities issued Opinions on Strictly Cracking Down on Illegal Securities Activities, which, among others, provides for improving laws and regulations on data security, cross-border data transmission, and confidential information management. It provided that efforts will be made to revise the regulations on strengthening the confidentiality and file management relating to the offering and listing of securities overseas, to implement the responsibility on information security of overseas listed companies, and to strengthen the standardized management of cross-border information provision mechanisms and procedures.

On July 30, 2021, the State Council issued the Regulations on Protection of Critical Information Infrastructure. Pursuant to these regulations, critical information infrastructure shall mean the important network facilities or information systems of key industries or fields such as public communication and information service, energy, transportation, water conservation, finance, public services, e-government affairs and national defense science, and important network facilities or information systems which may endanger national security, people's livelihood and public interest once there occur damage, malfunctioning or data leakage to them. These regulations provide that no individual or organization may carry out any illegal activity of intruding into, interfering with, or sabotaging any critical information infrastructures, or endanger the security of any critical information infrastructures. These regulations also require that critical information infrastructure operators shall establish a cybersecurity protection system and accountability system, and that the main responsible person of a critical information infrastructure operator shall take full responsibility for the security protection of the critical information infrastructures operated by it. In addition, administration departments of each important industry and sector shall be responsible for formulating the rule of critical information infrastructure determination applicable to their respective industry or sector, and determine the critical information infrastructure operators in their industry or sector.

On August 20, 2021, the Standing Committee of the National People's Congress promulgated the Personal Information Protection Law, which integrates the scattered rules with respect to personal information rights and privacy protection and took effect on November 1, 2021, requires, among others, that (i) the processing of personal information should have a clear and reasonable purpose which should be directly related to the processing purpose and should be conducted in a method that has the minimum impact on personal rights and interests, and (ii) the collection of personal information should be limited to the minimum scope as necessary to achieve the processing purpose and avoid the excessive collection of personal information. Personal information processors shall adopt necessary measures to safeguard the security of the personal information they handle. The offending entities could be ordered to correct, or to suspend or terminate the provision of services, and face confiscation of illegal income, fines or other penalties.

On January 4, 2022, the Cyberspace Administration of China, the National Development and Reform Commission, the Ministry of Industry and Information Technology, and several other administrations jointly published the amended Measures for Cybersecurity Review, which became effective on February 15, 2022. The amended Measures for Cybersecurity Review further restates and expands the applicable scope of the cybersecurity review. Pursuant to the amended Measures for Cybersecurity Review, (i) when the purchase of network products and services by a critical information infrastructures operator or the data processing activities conducted by a network platform operator affect or may affect national security, a cybersecurity review shall be conducted pursuant to the Review Measures. The operators shall file for a cybersecurity review with Cybersecurity Review Office under the Cyberspace Administration of China if their behavior affects or may affect national security; (ii) an application for cybersecurity review shall be made by an issuer who is a network platform operator holding personal information of more than one million users before such issuer applies to list its securities on a foreign stock exchange; and (iii) the PRC governmental authorities may initiate cybersecurity review if such governmental authorities determine that the issuer's network products or services, or data processing activities affect or may affect national security. The amended Measures for Cybersecurity Review focuses on assessing the following national security risks factors: (i) the risk of illegal control, interference or destruction of critical information infrastructure, arising from the purchase and utilization of network products and services; (ii) the harm on the business continuity of critical information infrastructure incurring from a disruption of network products and services supply; (iii) the safety, openness, transparency, diversity of sources of network products and services; the reliability of suppliers; and the risk of supply disruption due to political, diplomatic, trade and other reasons; (iv) the level of compliance with the PRC laws, administrative regulations and ministry rules of the suppliers of network products and services; (v) the risk of core data, important data or a large amount of personal information being stolen, leaked, destroyed, and illegally used or illegally exited the country; (vi) the risk of critical information infrastructure, core data, important data or a large amount of personal information being affected, controlled, or maliciously used by foreign governments and the network information security risk regarding listing abroad; and (vii) other factors that may harm critical information infrastructure, cyber security and/or data security. The amended Measures for Cybersecurity Review was promulgated recently, and there are substantial uncertainties on the interpretation and application of the amended Measures for Cybersecurity Review. See "Item 3. Key Information—D. Risk Factors—Risks Related to Our Business—Any failure to comply with existing or future laws and regulations related to data protection, data security, cybersecurity or personal information protection could lead to liabilities, administrative penalties or other regulatory actions, which could negatively affect our operating results and business."

On July 7, 2022, the Cyberspace Administration of China published the Measures for Security Assessment of Cross-border Data Transfer, which came into effect on September 1, 2022. These regulations stipulates that if the cross-border data transfer to be conducted by a "data processor" has any of the following circumstances, the "data processor" shall apply to the national cyberspace administration authority for security assessment via the provincial cyberspace administration authority in the place where the said "data processor" is located: (i) any data processor transfers important data to overseas recipients; (ii) any "critical information infrastructure operator," or any "data processor" processing the personal information of more than one million individuals transfers personal information to overseas recipients; (iii) the personal information of more than 100,000 individuals or the sensitive personal information of more than 10,000 individuals has been provided overseas since January 1 of the previous year on a cumulative basis; and (iv) other circumstances where the security assessment is required as prescribed by the national cyberspace administration authority. Furthermore, on August 31, 2022, the Cyberspace Administration of China promulgated the Guidelines to the Application for Security Assessment of Cross-border Data Transfer (First Edition), which provides that the activities of "cross-border data transfer" include (i) overseas transmission and storage by data processors of data generated during operations in mainland China; (ii) the access to, use, download or export of the data collected and generated by data processors and stored in mainland China by overseas institutions, organizations or individuals; and (iii) other acts as specified by the Cyberspace Administration of China.

On September 24, 2024, the State Council promulgated the Regulations on Network Data Security, which came into effect on January 1, 2025. These regulations reinforce and clarify legal requirements related to personal information protection, important data management, cross-border data transfers, network platform services, and overall data security. Notably, network data processing activities that affect or may affect national security must undergo a national security review in accordance with applicable laws and regulations. The regulations also introduce a new requirement for risk assessments of important data. Non-compliance may result in penalties, including fines, suspension of services, or the revocation of business permits or licenses.

Regulations on personal information protection

The Cyberspace Administration of China, the Ministry of Industry and Information Technology, the Ministry of Public Security, and the State Administration for Market Regulation jointly promulgated the Notice on Rectification of Illegal Collection of Personal Information on Application on January 23, 2019, which requires application operators to strictly comply with the Cyber Security Law and strengthens the personal information protection. Application operators should, among others, (i) clearly state the authorized purpose, methods and scope of the collection and usage of personal information, and obtain the consent of users for collecting and processing such users' personal information, and (ii) establish appropriate user information protection systems with remedial measures. To further implement and interpret such notice, the Measures on Identifying Illegality of Personal Information Collection Conducts on Application was promulgated on November 28, 2019.

On November 28, 2019, the Cyberspace Administration of China, the Ministry of Industry and Information Technology, the Ministry of Public Security and the State Administration for Market Regulation jointly issued the Methods of Identifying Illegal Acts of Apps to Collect and Use Personal Information. This regulation further illustrates certain commonly-seen illegal practices of apps operators in terms of personal information protection, including "failure to publicize rules for collecting and using personal information," "failure to expressly state the purpose, manner and scope of collecting and using personal information," "collection and use of personal information without consent of users of such app," "collecting personal information irrelevant to the services provided by such app in violation of the principle of necessity," "provision of personal information to others without users' consent," "failure to provide the function of deleting or correcting personal information as required by laws" and "failure to publish information such as methods for complaints and reporting."

On March 12, 2021, the Cyberspace Administration of China and three other authorities jointly issued the Rules on the Scope of Necessary Personal Information for Common Types of Mobile Internet Applications. These rules specify the scope of necessary personal information to be collected each for a variety of common mobile internet applications, such as maps and navigation apps, online ride-hailing apps, instant messaging apps, online community apps. Operators of such apps may not refuse to provide basic services to users on the ground of users' refusal to provide their personal non-essential information. The basic service of online lending applications is to facilitate loans provided to the users online for use of personal consumption and business operation, and the necessary personal information for an online lending application includes the borrower's mobile phone number, name, bank account, as well as type, number and valid period of its identity card.

On August 20, 2021, the Standing Committee of the National People's Congress promulgated the Personal Information Protection Law, which integrates the scattered rules with respect to personal information rights and privacy protection and took effect on November 1, 2021. The Personal Information Protection Law integrates provisions from several rules with respect to personal information rights and privacy protection. According to the Personal Information Protection Law, personal information refers to information related to identified or identifiable natural persons which is recorded by electronic or other means (excluding the anonymized information). The Personal Information Protection Law provides the circumstances under which a personal information processor could process personal information, such as where the consent of the individual concerned is obtained and where it is necessary for the conclusion or performance of a contract to which such individual is a party to such contract. It also stipulates certain specific provisions with respect to the obligations of a personal information processor. In addition, it imposes further obligations on a personal information processor that provides for basic internet platform services, has large amount of users, has complicated business activities, including formulating of an independent institution mainly comprising of outside members to supervise personal information processing activities, termination of provision of services for product or service providers on the platform whose personal information processing activities are in material violation of laws and regulations, and issuing personal information protection social responsibilities reports regularly.

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.

On February 13, 2015, SAFE promulgated the Notice on Further Simplifying and Improving the Administration of the Foreign Exchange Concerning Direct Investment. After this notice 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 will be required to apply for such foreign exchange registrations from qualified banks. The qualified banks, under the supervision of SAFE, will directly examine the applications and conduct the registration.

On March 30, 2015, SAFE promulgated the Notice of the State Administration of Foreign Exchange on Reforming the Administration of Foreign Exchange Settlement of Capital of Foreign-invested Enterprises, or SAFE Circular 19, to expand the reform nationwide. SAFE Circular 19 allows foreign-invested enterprises to make equity investments by using RMB fund converted from foreign exchange capital. Under SAFE Circular 19, the foreign exchange capital in the capital account of foreign-invested enterprises upon the confirmation of rights and interests of monetary contribution by the local foreign exchange bureau (or the book-entry registration of monetary contribution by the banks) can be settled at the banks based on the actual operation needs of the enterprises. The proportion of discretionary settlement of foreign exchange capital of foreign-invested enterprises is currently 100%. SAFE can adjust such proportion in due time based on the circumstances of international balance of payments. However, SAFE Circular 19 and another circular promulgated by SAFE in June 2016, SAFE Circular 16, continues to, prohibit foreign-invested enterprises from, among other things, using RMB fund converted from its foreign exchange capitals for expenditure beyond its business scope, investment and financing (except for security investment or guarantee products issued by bank), providing loans to non-affiliated enterprises or constructing or purchasing real estate not for their own use.

On October 23, 2019, SAFE promulgated the Notice of the Administration of Foreign Exchange on Further Promoting the Convenience of Cross-border Trade and Investment. It provides that non-investment foreign-invested entities may use foreign exchange capital or Renminbi funds converted from the foreign exchange capital to make equity investments, provided that such investments should comply with the Negative List and other PRC laws and regulations. On April 10, 2020, SAFE issued the Notice on Optimizing Foreign Exchange Administration to Support the Development of Foreign-related Business. It provides that on the premise of ensuring the true and compliant use of funds and compliance with the existing regulations on use of income under the capital account, enterprises which satisfy the criteria are allowed to use income under the capital account, such as capital funds, foreign debt and overseas listing for domestic payment, without prior provision of proof materials for veracity to the bank for each transaction. However, there are substantial uncertainties of the further implementation of these two notices. 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 offshore financing 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.”

Regulations on foreign exchange registration of overseas investment by PRC residents

SAFE promulgated the Circular on Relevant Issues Concerning Foreign Exchange Control on Domestic Residents' Offshore Investment and Financing and Round-trip Investment through Special Purpose Vehicles, or SAFE Circular 37, on July 4, 2014, which replaced the former circular commonly known as "SAFE Circular 75." SAFE Circular 37 requires PRC residents to register with local branches of SAFE in connection with their direct establishment or indirect control of an offshore entity, for the purpose of overseas investment and financing, with such PRC residents' legally owned assets or equity interests in domestic enterprises or offshore assets or interests, referred to in SAFE Circular 37 as a "special purpose vehicle." SAFE Circular 37 further requires amendment to the registration in the event of any significant changes with respect to the special purpose vehicle, such as increase or decrease of capital contributed by PRC individuals, share transfer or exchange, merger, division or other material event. In the event that a PRC shareholder holding interests in a special purpose vehicle fails to fulfill the required SAFE registration, the PRC subsidiaries of that special purpose vehicle may be prohibited from making profit distributions to the offshore parent and from carrying out subsequent cross-border foreign exchange activities, and the special purpose vehicle may be restricted in its ability to contribute additional capital into its PRC subsidiary. Furthermore, failure to comply with the various SAFE registration requirements described above could result in liability under PRC law for evasion of foreign exchange controls.

On February 13, 2015, SAFE released Circular of the State Administration of Foreign Exchange on Further Simplifying and Improving the Direct Investment-related Foreign Exchange Administration Policies, under which local banks are authorized to examine and handle foreign exchange registration for overseas direct investment, including the initial foreign exchange registration and amendment registration, starting from June 1, 2015. See "Item 3. Key Information—D. Risk Factors—Risks Related to Doing Business in China—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."

Regulations on employee stock incentive plans of overseas publicly-listed company

Pursuant to the Notices on Issues concerning the Foreign Exchange Administration for Domestic Individuals Participating in Stock Incentive Plan of Overseas Publicly-Listed Company, issued by SAFE in February 2012, individuals participating in any stock incentive plan of any overseas publicly listed company who are PRC citizens or non-PRC citizens who reside in China for a continuous period of not less than one year, subject to a few exceptions, are required to register with SAFE through a domestic qualified agent, which could be a PRC subsidiary of such overseas listed company, and complete certain other procedures. We and our executive officers and other employees who are PRC citizens or non-PRC citizens who reside in China for a continuous period of not less than one year and have been granted options are subject to these regulations. Failure by these individuals to complete their SAFE registrations may subject us and them to fines and other legal sanctions. See "Item 3. Key Information—D. Risk Factors—Risks Related to Doing Business in China—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."

The State Administration of Taxation has issued certain circulars concerning employee share options and restricted shares. Under these circulars, our employees working in China who exercise share options will be subject to PRC individual income tax. Our PRC subsidiaries have obligations to file documents related to employee share options with tax authorities and to withhold individual income taxes of those employees who exercise their share options. If our employees fail to pay or we fail to withhold their income taxes according to laws and regulations, we may face sanctions imposed by the tax authorities or other PRC governmental authorities.

Regulations on Intellectual Property Rights

The PRC has adopted comprehensive legislation governing intellectual property rights, including copyrights, patents, trademarks and domain names.

Copyright. Copyright in the PRC, including copyrighted software, is principally protected under the Copyright Law and related rules and regulations. Under the Copyright Law, the term of protection for copyrighted software is 50 years.

Patent. The Patent Law provides for patentable inventions, utility models and designs, which must meet three conditions: novelty, inventiveness and practical applicability. The State Intellectual Property Office under the State Council is responsible for examining and approving patent applications. The duration of a patent right is either 10 years or 20 years from the date of application, depending on the type of patent right.

Trademark. 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 under the State Administration of Industry and Commerce 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.

Domain Name. Domain names are protected under the Administrative Measures on the China Internet Domain Names promulgated by the Ministry of Industry and Information Technology in 2004, which will be replaced by the Administrative Measures on the Internet Domain Names effective on November 1, 2017. The Ministry of Industry and Information Technology is the major regulatory authority responsible for the administration of the PRC Internet domain names. The registration of domain names in PRC is on a “first-apply-first-registration” basis. A domain name applicant will become the domain name holder upon the completion of the application procedure. Our major domain name “ppdai.com” has been registered.

Regulations Relating to Dividend Distribution

Under our current corporate structure, our Cayman Islands holding company may rely on dividend payments from our subsidiaries 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. Under these laws and regulations, wholly foreign-owned enterprises in China may pay dividends only out of their accumulated after-tax profits, if any, determined in accordance with 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. 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. According to the Social Insurance Law, an employer that fails to make social insurance contributions may be ordered to rectify the non-compliance and pay the required contributions within a stipulated deadline and be subject to a late fee of up to 0.05% or 0.2% per day, as the case may be. If the employer still fails to rectify the failure to make social insurance contributions within the stipulated deadline, it may be subject to a fine ranging from one to three times the amount overdue. In addition, the PRC Individual Income Tax Law requires companies operating in China to withhold individual income tax on employees' salaries based on the actual salary of each employee upon payment. The General Office of the Central Committee of the Communist Party of the PRC and the General Office of the State Council of the PRC issued the Reform Plan of the State Tax and Local Tax Collection Administration System on July 20, 2018, which provides that commencing from January 1, 2019, tax authorities would be responsible for the collection of social insurance contributions.

We have not made adequate contributions to employee benefit plans, as required by applicable PRC laws and regulations, but we have recorded accruals for the estimated underpaid amounts for the current employees in our financial statements. However, we have not made any accruals for the interest on underpayment and penalties that may be imposed by the PRC government authorities in the financial statements as we believe it would be unlikely that the PRC government authorities will impose any significant interests or penalties. 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 and withhold individual income tax on employees' salaries as required by PRC regulations may subject us to penalties."

Regulations Relating to Tax

Dividend withholding tax

Pursuant to the Enterprise Income Tax Law of the PRC 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% provided certain conditions could be met 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, 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 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, which became effective on November 1, 2015. These measures provide that non-resident enterprises are not required to obtain pre-approval from the 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 tax authorities. Accordingly, our Hong Kong subsidiaries may be able to enjoy the 5% withholding tax rate for the dividends they receive from our PRC subsidiaries, if it satisfies the conditions prescribed under the applicable tax rules and regulations. However, according to these regulations, if the tax authorities consider the transactions or arrangements we have are for the primary purpose of enjoying a favorable tax treatment, the tax authorities may adjust the favorable withholding tax in the future.

Enterprise income tax

The Enterprise Income Tax Law of the PRC, and its implementing rules, which became effective on January 1, 2008, are the principal regulations governing enterprise income tax in the PRC. The Enterprise Income Tax Law of the PRC imposes a uniform enterprise income tax rate of 25% on all resident enterprises in the PRC, including foreign-invested enterprises.

Uncertainties exist with respect to how the Enterprise Income Tax Law of the PRC applies to the tax residence status of FinVolution Group and our offshore subsidiaries. Under the Enterprise Income Tax Law of the PRC, an enterprise established outside China with its “de facto management bodies” located within China is considered a “resident enterprise,” which means that it is treated in a manner similar to a PRC domestic enterprise for enterprise income tax purposes. The implementing rules of the Enterprise Income Tax Law of the PRC define de facto management body as a managing body that in practice exercises “substantial and overall management and control over the production and operations, personnel, accounting, and properties” of the enterprise.

The State Administration of Taxation issued the Circular of the State Administration of Taxation on Issues Concerning the Identification of Chinese-Controlled Overseas Registered Enterprises as Resident Enterprises in Accordance With the Actual Standards of Organizational Management in 2009. According to this regulation, a Chinese-controlled offshore incorporated enterprise will be regarded as a PRC tax resident by virtue of having a “de facto management body” in China and will be subject to PRC enterprise income tax on its worldwide income only if all of the following criteria are met: (i) the primary location of the day-to-day operational management is in China; (ii) decisions relating to the enterprise’s financial and human resource matters are made or are subject to approval by organizations or personnel in China; (iii) the enterprise’s primary assets, accounting books and records, company seals, and board and shareholders meeting minutes are located or maintained in China; and (iv) 50% or more of voting board members or senior executives habitually reside in China. We believe that FinVolution Group and our offshore subsidiaries should not be treated as a “resident enterprise” for PRC tax purposes if the criteria for “de facto management body” as set forth in this circular were deemed applicable to us. However, as the tax residency 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 applicable to our offshore entities, we may be treated as a resident enterprise for PRC tax purposes under the Enterprise Income Tax Law of the PRC, and we may therefore be subject to PRC income tax on our global income. 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” for further details.

The State Administration of Taxation issued a Public Notice Regarding Certain Corporate Income Tax Matters on Indirect Transfer of Properties by Non-Resident Enterprises, or SAT Public Notice 7, on February 3, 2015, which replaced or supplemented certain previous rules under the Circular on Strengthening Administration of Enterprise Income Tax for Share Transfers by Non-Resident Enterprises, or SAT Circular 698. Under SAT Public Notice 7, an “indirect transfer” of assets, including equity interests in a PRC resident enterprise, by non-PRC resident enterprises may be re-characterized and treated as a direct transfer of PRC taxable assets, if such arrangement does not have a reasonable commercial purpose and was established for the purpose of avoiding payment of PRC enterprise income tax. As a result, gains derived from such indirect transfer may be subject to PRC enterprise income tax. According to SAT Public Notice 7, “PRC taxable assets” include assets attributed to an establishment in China, immovable properties in China, and equity investments in PRC resident enterprises. In respect of an indirect offshore transfer of assets of a PRC establishment, the relevant gain is to be regarded as effectively connected with the PRC establishment and therefore included in its enterprise income tax filing, and would consequently be subject to PRC enterprise income tax at a rate of 25%. Where the underlying transfer relates to the immovable properties in China or to equity investments in a PRC resident enterprise, which is not effectively connected to a PRC establishment of a non-resident enterprise, a PRC enterprise income tax at 10% would apply, subject to available preferential tax treatment under applicable tax treaties or similar arrangements, and the party who is obligated to make the transfer payments has the withholding obligation. There is uncertainty as to the implementation details of SAT Public Notice 7. If SAT Public Notice 7 was determined by the tax authorities to be applicable to some of our transactions involving PRC taxable assets, our offshore subsidiaries conducting the relevant transactions might be required to spend valuable resources to comply with SAT Public Notice 7 or to establish that the relevant transactions should not be taxed under SAT Public Notice 7. See “Item 3. Key Information—D. Risk Factors—Risks Related to Doing Business in China—We face uncertainty with respect to indirect transfers of equity interests in PRC resident enterprises by their non-PRC holding companies.”

Under applicable PRC laws, payers of PRC-sourced income to non-PRC residents are generally obligated to withhold PRC income taxes from the payment. In the event of a failure to withhold, the non-PRC residents are required to pay such taxes on their own. Failure to comply with the tax payment obligations by the non-PRC residents will result in penalties, including full payment of taxes owed, fines and default interest on those taxes.

Pursuant to applicable PRC regulations promulgated by the Ministry of Finance of China and the State Administration of Taxation, entities or individuals conducting business in the service industry are required to pay a value-added tax at a rate of 6% with respect to revenues derived from the provision of online information services. A taxpayer is allowed to offset the qualified input value-added tax paid on taxable purchases against the output value-added tax chargeable on the revenue from services provided.

Regulations Relating to Overseas Listing and M&A

On August 8, 2006, six PRC governmental and regulatory agencies, including the Ministry of Commerce and the CSRC, jointly promulgated the Regulations on Mergers and Acquisitions of Domestic Companies by Foreign Investors, or the M&A Rules, a new regulation with respect to the mergers and acquisitions of domestic enterprises by foreign investors that became effective on September 8, 2006 and revised on June 22, 2009. Foreign investors shall comply with the M&A rules when they purchase equity interests of a domestic company or subscribe for the increased capital of a domestic company, and thus changing the nature of the domestic company into a foreign-invested enterprise; or when the foreign investors establish a foreign-invested enterprise in the PRC for the purpose of purchasing the assets of a domestic company and operating the asset; or when the foreign investors purchase the asset of a domestic company, establish a foreign-invested enterprise by injecting such assets, and operate the assets. The M&A rules, among other things, purports to require that an offshore special vehicle, or a special purpose vehicle, formed for listing purposes and controlled directly or indirectly by PRC companies or individuals, shall obtain the approval of the CSRC prior to the listing and trading of such special purpose vehicle's securities on an overseas stock exchange.

On July 6, 2021, the PRC government authorities issued the Opinions on Strictly Cracking Down Illegal Securities Activities in Accordance with the Law. These opinions emphasized the need to strengthen the administration over illegal securities activities and the supervision on overseas listings by China-based companies and proposed to take effective measures, such as promoting the construction of regulatory systems to deal with the risks and incidents faced by China-based overseas-listed companies.

On December 27, 2021, the National Development and Reform Commission and the Ministry of Commerce of the PRC jointly issued the Special Administrative Measures (Negative List) for Foreign Investment Access (2021 Version), which became effective on January 1, 2022. The Negative List (2021 Version) was subsequently replaced by the Negative List (2024 Version). Pursuant to these measures, if a domestic company engaging in the prohibited business stipulated in the negative list seeks an overseas offering and listing, it shall obtain the approval from the competent governmental authorities. Besides, the foreign investors of the company may not be involved in the company's operation and management, and their shareholding percentage shall be subject, mutatis mutandis, to the applicable regulations on the domestic securities investments by foreign investors. In a Q&A released on the official website of the National Development and Reform Commission on January 18, 2022, the official of the National Development and Reform Commission indicated that these requirements are only imposes on PRC domestic companies that directly offer or list their securities in an overseas market.

On February 17, 2023, the CSRC published the Trial Administrative Measures on the Overseas Issuance and Listing of Securities by Domestic Companies, or the CSRC Filing Measures, and five supporting guidelines, effective on March 31, 2023. Pursuant to the CSRC Filing Measures, PRC domestic companies that directly or indirectly offer or list their securities in an overseas market, which include (i) any PRC company limited by shares, and (ii) any offshore company that conducts its business operations primarily in China and contemplates to offer or list its securities in an overseas market based on its onshore equities, assets or similar interests, are required to file with the CSRC within three business days after submitting their listing application documents to the regulator in the place of intended listing.

The CSRC Filing Measures proposes to establish a new filing-based regime to regulate overseas offerings and listings by domestic companies. According to the CSRC Filing Measures, an overseas offering and listing by a domestic company, whether directly or indirectly, shall be filed with the CSRC. Specifically, the examination and determination of an indirect offering and listing will be conducted on a substance-over-form basis, and an offering and listing shall be considered as an indirect overseas offering and listing by a domestic company if the issuer meets the following conditions: (i) the operating income, gross profit, total assets, or net assets of the domestic enterprise in the most recent fiscal year was more than 50% of the line item in the issuer's audited consolidated financial statement for that year; and (ii) senior management personnel responsible for business operations and management are mostly PRC citizens or are ordinarily resident in the PRC, and the main place of business operations is in the PRC or carried out in the PRC. According to the CSRC Filing Measures, the issuer or its affiliated domestic company, as the case may be, shall file with the CSRC for its initial public offering, follow-on offering and other equivalent offering activities. Particularly, the issuer shall submit the filing with respect to its initial public offering and listing within three business days after its initial filing of the listing application, and submit the filing with respect to its follow-on offering within three business days after completion of the follow-on offering. Failure to complete the record-filing under the CSRC Filing Measures may subject a PRC domestic company to a warning or a fine ranging from RMB1 million to RMB10 million, and its controlling shareholders, actual controllers, the persons directly in charge and other directly liable persons may also be subject to administrative penalties, such as warnings and fines. According to the Notification to the Administrative Arrangement of the Overseas Issuance and Listing of Securities by Domestic Companies, the CSRC expressed that the record-filing requirement would not be imposed on the existing public companies, like us, until they refinance their securities in an overseas market based on its onshore equities, assets or similar interests. The CSRC Filing Measures also set forth certain regulatory red lines for overseas offerings and listings by domestic enterprises: (i) if the intended securities offering and listing is specifically prohibited by national laws and regulations and applicable provisions; (ii) if the intended securities offering and listing may constitute a threat to or endangers national security as reviewed and determined by competent authorities under the State Council in accordance with law; (iii) if, in the past three years, the domestic enterprise or its controlling shareholders or actual controllers have committed corruption, bribery, embezzlement, misappropriation of property, or other criminal offenses disruptive to the order of the socialist market economy, (iv) if the domestic company is currently under judicial investigation for suspicion of criminal offenses, or are under investigation for suspicion of major violations and no decision has been made; (v) if there are material ownership disputes over the stocks controlled by the controlling shareholder, or by the shareholders controlled by the controlling shareholder or actual controller.

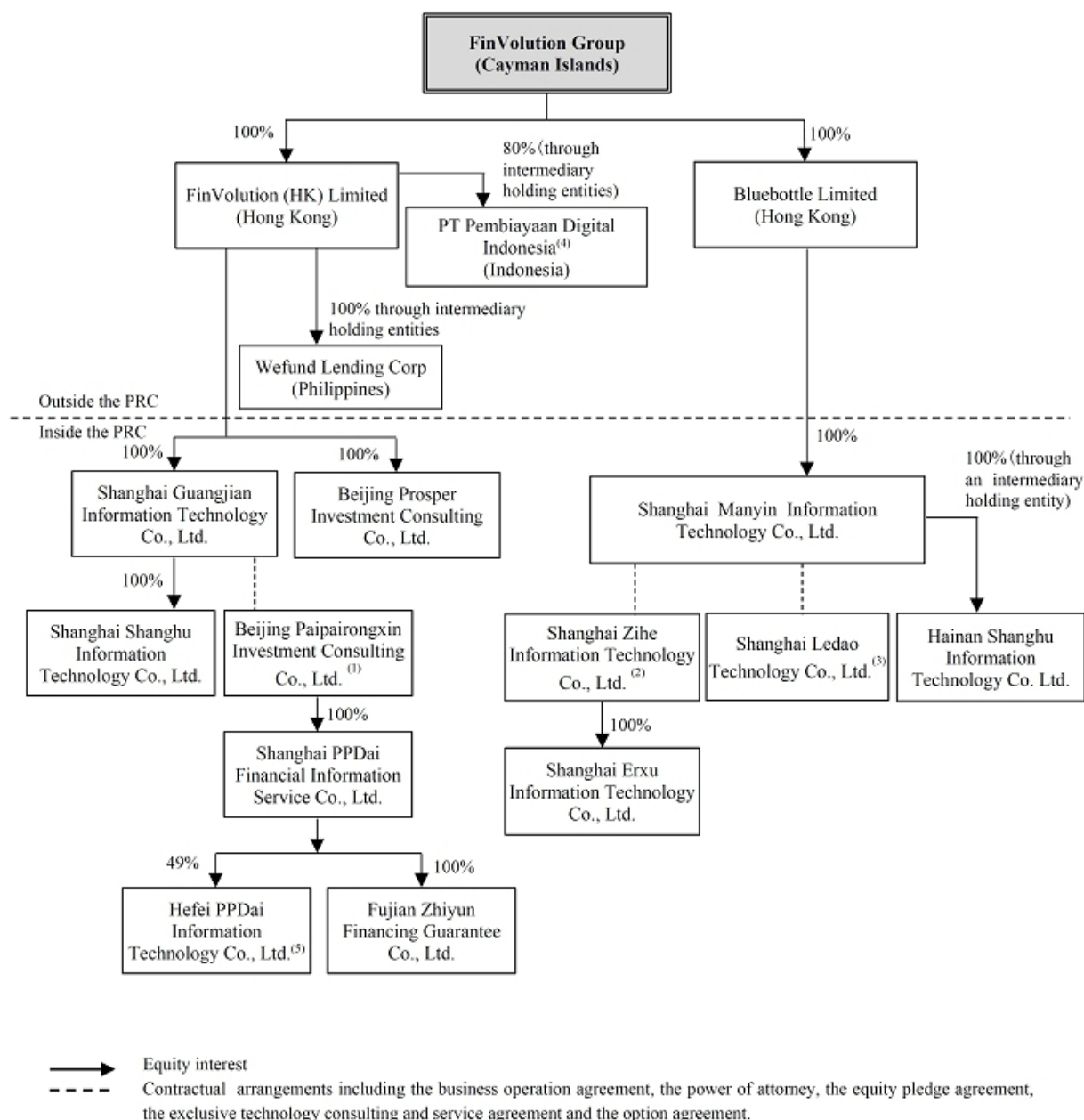
On February 24, 2023, the CSRC, Ministry of Finance of the PRC, National Administration of State Secrets Protection, and National Archives Administration of China published the Provisions on Strengthening Confidentiality and Archives Administration of Overseas Securities Offering and Listing by Domestic Companies. These provisions, among others, provides that: (i) a domestic company that seeks to offer and list its securities in an overseas market, either via direct offering or indirect offering, and the securities companies and securities service providers that undertake securities business, shall strictly abide by applicable laws and regulations of the PRC, enhance legal awareness of keeping state secrets and strengthening archives administration, institute a sound confidentiality and archives administration system, and take necessary measures to fulfill confidentiality and archives administration obligations. They may not divulge any state secret or harm national security and public interest; (ii) a domestic company that plans to, either directly or through its overseas listed entity, publicly disclose or provide to entities or individuals including securities companies, securities service providers, and overseas regulators, documents and materials that contain state secrets or government work secrets, shall first obtain approval from competent authorities according to law, and file with the secrecy administrative department at the same level. If there is ambiguity or dispute over the identification of a state secret, a request shall be submitted to the competent secrecy administrative department for determination; if there is ambiguity or dispute over the identification of a government work secret, a request shall be submitted to the competent government authority for determination; (iii) a domestic company that plans to, either directly or through its overseas listed entity, publicly disclose or provide to entities or individuals including securities companies, securities service providers, and overseas regulators, other documents and materials that, if divulged, will jeopardize national security or public interest, shall strictly obey the procedures stipulated by applicable national regulations; (iv) archives, including working papers, that have been produced in mainland China by securities companies and securities service providers for overseas securities offering and listing by domestic companies shall be retained in mainland China, and, without prior approval by competent authorities, may not be brought, mailed or otherwise transferred to outside mainland China, or transmitted to any institutions or individuals outside mainland China through any methods including via the use of information technologies. Where archives or copies of archives that have important conservation value to the nation and the society need to be transferred or transmitted to outside mainland China, approval procedures stipulated by national regulations shall be followed; and (v) overseas securities regulators and competent overseas authorities may request to investigate, including to collect evidence for investigation purpose, or inspect a domestic company that has been listed or offered securities in an overseas market or securities companies and securities service providers that undertake securities business for such domestic companies. Such investigation and inspection shall be conducted under a cross-border regulatory cooperation mechanism, and the CSRC and competent authorities of the Chinese government will provide necessary assistance pursuant to bilateral and multilateral cooperation mechanisms. Before cooperating with the investigation and inspection by, or providing documents and materials to overseas securities regulators or other competent overseas authorities, such domestic companies, securities companies and securities service providers shall report to the CSRC or other competent authorities.

Regulations in Other Jurisdictions

Due to our global operations, we are also subject to the rules and regulations of the other jurisdictions in which we operate. For example, the Indonesian regulator, the Financial Services Authority of Indonesia (OJK), has lowered the maximum interest rate that online lenders can charge their borrowers on consumptive loans. The rules, effective as of January 1, 2024, progressively reduce the interest rate cap imposed on fintech lenders from the maximum of 0.4% per day in 2023 to 0.3% in 2024, to 0.2% in 2025, and further to 0.1% by 2026. On December 31, 2024, the Financial Services Authority of Indonesia (OJK) revised its interest rate policy, which was subsequently reiterated by a regulation issued on July 31, 2025. The earlier plan to uniformly reduce the cap to 0.2% by 2025 was replaced with differentiated pricing based on loan tenor: loans with a tenor of six months or less remain capped at 0.3%, while those exceeding six months are capped at 0.2%. In addition, the Philippines Securities and Exchange Commission has issued a memorandum, effective April 1, 2026, imposing recalibrated ceilings on interest rates and fees charged by financing and lending companies on small consumer loans, setting a 12% monthly cap on effective interest rates for loans of up to P10,000 with terms of up to four months.

C. Organizational Structure

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



Notes:

- (1) Beijing Paipairongxin currently has four shareholders: Jun Zhang, our co-founder and director, Tiezheng Li, our co-founder, vice chairman and chief executive officer, Honghui Hu, our co-founder and director, and Shaofeng Gu, our co-founder, chairman and chief innovation officer, each holding 13.22%, 4.81%, 12.85%, and 69.12% of Beijing Paipairongxin's equity interests, respectively.
- (2) Shanghai Zihe currently has four shareholders: Jun Zhang our co-founder and director, Tiezheng Li, our co-founder, vice chairman and chief executive officer, Honghui Hu, our co-founder and director, Shaofeng Gu, our co-founder, chairman and chief innovation officer, each holding 25% of Shanghai Zihe's equity interests, respectively.
- (3) Shanghai Ledao currently has two shareholders: Lizhong Chen, a family relative of Tiezheng Li, and Yejun Jiang, a family relative of Honghui Hu, each holding 50% of Shanghai Ledao's equity interests, respectively.

- (4) The remaining 20% equity interests is held by an unrelated third party.
- (5) The remaining 51% equity interest is held by our company through an intermediate entity.

Contractual Arrangements

PRC laws and regulations impose restrictions on foreign ownership and investment in internet-based businesses. We are a Cayman Islands company and our PRC subsidiaries are considered foreign-invested enterprises. To comply with PRC laws, regulations and regulatory requirements, we have entered into a series of contractual arrangements, (i) through Shanghai Guangjian, our wholly foreign owned entity, with Beijing Paipairongxin, the consolidated variable interest entities, and the shareholders of Beijing Paipairongxin and certain subsidiary of Beijing Paipairongxin to direct the activities of Beijing Paipairongxin and their subsidiaries, and (ii) through Shanghai Manyin, our wholly foreign owned entity, with Shanghai Zihe and Shanghai Ledao, the consolidated variable interest entities, and the shareholders of Shanghai Zihe and Shanghai Ledao to direct the activities of Shanghai Zihe and Shanghai Ledao and their subsidiaries.

The contractual arrangements with the consolidated variable interest entities allow us to:

- enable us to direct the activities of operation of the consolidated variable interest entities and their respective subsidiaries;
- receive substantially all of the economic benefits of the consolidated variable interest entities and their respective subsidiaries; and
- have an exclusive option to purchase all or part of the equity interests in the consolidated variable interest entities and their respective subsidiaries when and to the extent permitted by PRC law.

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

Contractual Arrangements with Beijing Paipairongxin and Its Shareholders

The following is a summary of the currently effective contractual arrangements by and among our wholly-owned subsidiary, Shanghai Guangjian and its wholly-owned subsidiary, Shanghai Shanghu (with respect to the business operation agreement and the exclusive technology consulting and service agreement only), the consolidated variable interest entity, Beijing Paipairongxin, the shareholders of Beijing Paipairongxin, and Shanghai PPDai (with respect to the exclusive technology consulting and service agreement only).

Agreements that enable us to direct the activities of operation of Beijing Paipairongxin

Loan Agreement. In March 2018, Shanghai Guangjian entered into loan agreements with each of the shareholders of Beijing Paipairongxin, namely Mr. Jun Zhang, Mr. Tiezheng Li, Mr. Honghui Hu, and Mr. Shaofeng Gu, who are our co-founders and shareholders. Under these agreements, Shanghai Guangjian granted an interest-free loan of RMB100.0 million to the shareholders of Beijing Paipairongxin solely for their capital contributions to the company. Upon written notice by Shanghai Guangjian, the loan shall be repaid by the shareholders of Beijing Paipairongxin from the proceeds received by transferring their equity interests in Beijing Paipairongxin to Shanghai Guangjian, pursuant to the terms and conditions of the call option agreement among Shanghai Guangjian, Beijing Paipairongxin, Beijing Prosper, and the shareholders of Beijing Paipairongxin. If the proceeds received by the shareholders of Beijing Paipairongxin from such transferring exceed the principal of the loan, the surplus shall be deemed as the cost for using the principal and shall be paid, to the extent permitted by laws, to Shanghai Guangjian together with the principal. Shanghai Guangjian reserves the right to request repayment of the loan before maturity.

Restated Business Operation Agreement. In March 2018, Shanghai Guangjian, Shanghai Shanghu, Beijing Paipairongxin, along with its shareholders, and Beijing Prosper entered into a restated business operation agreement. According to this agreement, Beijing Paipairongxin and its shareholders agree, within the limits permitted by law, to accept and unconditionally execute instructions from Shanghai Guangjian and Shanghai Shanghu regarding business operations, including the appointment of directors and executive officers. Additionally, Beijing Paipairongxin and its shareholders commit not to take any action that could materially adversely affect its assets, businesses, human resources, rights, obligations, or business operations without the prior written consent of Shanghai Guangjian and Shanghai Shanghu. Furthermore, the shareholders of Beijing Paipairongxin undertake to promptly and unconditionally transfer any dividends or similar income they receive as shareholders to Shanghai Guangjian and Shanghai Shanghu. Moreover, this restated agreement mandates that each of Beijing Paipairongxin's shareholders issue an irrevocable power of attorney, enabling Shanghai Guangjian or any person(s) designated by them to execute shareholders' rights on behalf of such shareholders. Unless terminated in advance by Shanghai Guangjian and Shanghai Shanghu, this restated agreement will remain effective until the dissolution of Beijing Paipairongxin pursuant to PRC law.

Restated Power of Attorney. Under a restated power of attorney dated March 21, 2018, each shareholder of Beijing Paipairongxin irrevocably authorizes Shanghai Guangjian or any person(s) designated by them to act as their attorney-in-fact. This authorization empowers Shanghai Guangjian or their designees to exercise all of the shareholder's voting and other rights associated with their equity interest in Beijing Paipairongxin. Such rights include the authority to appoint directors, supervisors, and officers, as well as the right to sell, transfer, pledge, and dispose of all or a portion of the shares held by the shareholder. The power of attorney will remain valid for ten years unless terminated earlier by the restated business operation agreement. Upon request by Shanghai Guangjian, the shareholders of Beijing Paipairongxin shall extend the term of this power of attorney accordingly.

Restated Equity Pledge Agreement. Shanghai Guangjian, Beijing Paipairongxin, the shareholders of Beijing Paipairongxin, and Beijing Prosper entered into a restated equity pledge agreement in March 2018. According to the terms of the equity pledge agreement, each shareholder of Beijing Paipairongxin has pledged all of their equity interest in Beijing Paipairongxin to Shanghai Guangjian. This pledge serves as a guarantee for the performance by each shareholder and Beijing Paipairongxin of their respective obligations under several agreements, including the restated business operation agreement (which includes the power of attorney), the restated option agreement, the restated exclusive technology consulting and service agreement, and the loan agreement. In the event that Beijing Paipairongxin or any of its shareholders breaches any obligations under these agreements, Shanghai Guangjian, as the pledgee, will be entitled to dispose of the pledged equity and have priority in being compensated by the proceeds from the disposal of the pledged equity. Each shareholder of Beijing Paipairongxin agrees that until their obligations under the contractual arrangements are discharged, they may not dispose of the pledged equity interests, create or allow any encumbrance on the pledged equity interests, or take any action that may result in a change of the pledged equity without obtaining prior written consent from Shanghai Guangjian. The restated equity pledge agreement will remain effective until Beijing Paipairongxin and its shareholders discharge all their obligations under the contractual arrangements, and the pledgee consents to such discharge in writing. We have completed the registration of the equity pledge with the office of the Administration of Market Regulation in accordance with the PRC Property Rights Law.

Agreement that allows us to receive economic benefits from Beijing Paipairongxin and Shanghai PPDai

Restated Exclusive Technology Consulting and Service Agreement. Shanghai Guangjian and Shanghai Shanghu, along with Beijing Paipairongxin, Shanghai PPDai, and Beijing Prosper, entered into a restated exclusive technology consulting and service agreement in March 2018. According to this agreement, Shanghai Guangjian, Shanghai Shanghu, or their designated party has the exclusive right to provide technical support, consulting services, and other services to Beijing Paipairongxin and Shanghai PPDai. Without prior written consent from Shanghai Guangjian and Shanghai Shanghu, Beijing Paipairongxin and Shanghai PPDai may not accept any technical support and services covered by this agreement from any third party. The service fees that Beijing Paipairongxin and Shanghai PPDai need to pay to Shanghai Guangjian and Shanghai Shanghu shall be determined on a case-by-case basis. Factors considered include the level of difficulty and complexity, time spent by Shanghai Guangjian and Shanghai Shanghu and their employees in providing the services, the specific scope and commercial value of the services, the revenue generated by Beijing Paipairongxin and Shanghai PPDai resulting from such services, and other relevant factors. Shanghai Guangjian and Shanghai Shanghu own the intellectual property rights arising out of the provisions of services under this agreement. Unless terminated in advance by Shanghai Guangjian and Shanghai Shanghu, this restated agreement will remain effective until the dissolution of Beijing Paipairongxin and Shanghai PPDai in accordance with PRC law. Although termination of this restated agreement can be achieved by mutual agreement among Shanghai Guangjian, Shanghai Shanghu, Beijing Paipairongxin, Shanghai PPDai, and Beijing Prosper, Beijing Paipairongxin and Shanghai PPDai do not have the right to unilaterally terminate this agreement.

Agreement that provides us with the option to purchase the equity interest in Beijing Paipairongxin

Restated Option Agreement. Shanghai Guangjian, Beijing Paipairongxin, the shareholders of Beijing Paipairongxin, and Beijing Prosper entered into a restated option agreement in March 2018. According to this agreement, the shareholders of Beijing Paipairongxin have irrevocably granted Shanghai Guangjian or any third party designated by Shanghai Guangjian an exclusive option to purchase all or part of their respective equity interests in Beijing Paipairongxin. The purchase price is equal to the registered capital corresponding to the concerning equity interest. Unless otherwise agreed, the shareholders of Beijing Paipairongxin will immediately transfer the purchase price to Shanghai Guangjian or any third party designated by Shanghai Guangjian after Shanghai Guangjian or any third party designated by Shanghai Guangjian exercises the option. The shareholders of Beijing Paipairongxin agree that without their separate consent, Shanghai Guangjian may transfer all or part of its option under this agreement to a third party. Without prior written consent from Shanghai Guangjian or its designated third party, Beijing Paipairongxin may not, among other things, amend its articles of association, increase or decrease the registered capital, sell, dispose of or set any encumbrance on its assets, business, or revenue outside the ordinary course of business, enter into any material contract, merge with any other persons, make any investments, distribute dividends, or enter into any transactions which have material adverse effects on its business. The shareholders of Beijing Paipairongxin also jointly and severally undertake that they will not transfer, gift, or otherwise dispose of their equity interests in Beijing Paipairongxin to any third party or create or allow any encumbrance on their equity interests within the term of this restated agreement. This restated agreement will remain effective until Shanghai Guangjian has acquired all equity interests of Beijing Paipairongxin from its shareholders.

Contractual Arrangements with Shanghai Zihe and Its Shareholders

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

Agreements that enable us to direct the activities of operation of Shanghai Zihe

Loan Agreement. Shanghai Manyin entered into a loan agreement with each of the shareholders of Shanghai Zihe, namely Mr. Jun Zhang, Mr. Tiezheng Li, Mr. Honghui Hu, and Mr. Shaofeng Gu, who are our co-founders and shareholders, in March 2018. Under the loan agreements, Shanghai Manyin has granted an interest-free loan of RMB100.0 million to the shareholders of Shanghai Zihe solely for their capital contributions to Shanghai Zihe. Upon written notice by Shanghai Manyin, the loan shall be repaid by the shareholders of Shanghai Zihe from the proceeds received by transferring their equity interests in Shanghai Zihe to Shanghai Manyin pursuant to the terms and conditions of the exclusive call option agreement among Shanghai Manyin, Shanghai Zihe, and the shareholders of Shanghai Zihe. If the proceeds received by the shareholders of Shanghai Zihe from such transferring are higher than the principal of the loan, the amount exceeding the principal shall be deemed as a cost for using the principal and shall be paid, to the extent permitted by laws, to Shanghai Manyin together with the principal. Shanghai Manyin has the right to request repayment of the loan before maturity.

Business Operation Agreement. Shanghai Manyin, Shanghai Zihe, and the shareholders of Shanghai Zihe entered into a business operation agreement on March 21, 2018. Pursuant to this agreement, Shanghai Zihe and its shareholders agree that to the extent permitted by law, they will accept and strictly execute instructions from Shanghai Manyin on business operations, such as the appointment of directors and senior management. Shanghai Zihe and its shareholders further agree that, without the prior written consent of Shanghai Manyin, Shanghai Zihe will not take any action that may have material effects on its assets, businesses, human resources, rights, obligations, or business operations. This agreement also requires each of Shanghai Zihe's shareholders to issue an irrevocable power of attorney authorizing Shanghai Manyin or any person(s) designated by Shanghai Manyin to execute shareholders' rights on behalf of such shareholder. Unless terminated in advance pursuant to this agreement, this agreement will remain effective for 30 years, renewable upon advance written notice by Shanghai Manyin.

Power of Attorney. Through a power of attorney dated March 21, 2018, each shareholder of Shanghai Zihe irrevocably authorizes Shanghai Manyin or any person(s) designated by Shanghai Manyin to act as his or her attorney-in-fact to exercise all of such shareholder's voting and other rights associated with the shareholder's equity interest in Shanghai Zihe, such as the right to call a shareholders' meeting, join a shareholders' meeting, and sign any shareholders' resolutions; the right to nominate and appoint the legal representative, directors, supervisors, general manager, chief financial officer, and other officers, as well as all rights a shareholder may have as a shareholder under laws and constitutional documents. The power of attorney will remain in force and irrevocable during the term each shareholder remains as a shareholder of Shanghai Zihe.

Equity Pledge Agreement. Shanghai Manyin, Shanghai Zihe, and the shareholders of Shanghai Zihe entered into an equity pledge agreement on March 21, 2018. Pursuant to the equity pledge agreement, each shareholder of Shanghai Zihe has pledged all of his equity interest in Shanghai Zihe to Shanghai Manyin to guarantee the performance by such shareholder and Shanghai Zihe of their respective obligations under the loan agreement, the business operation agreement (including the power of attorney), the exclusive call option agreement, and the exclusive technology consulting and service framework agreement. If Shanghai Zihe or any of its shareholders breaches any obligations under these agreements, Shanghai Manyin, as pledgee, will be entitled to dispose of the pledged equity and have priority to be compensated by the proceeds from the disposal of the pledged equity. Each of the shareholders of Shanghai Zihe agrees that before his obligations under the contractual arrangements are discharged, he will not dispose of the pledged equity interests, create or allow any encumbrance on the pledged equity interests, or take any action that may result in the change of the pledged equity that may have material adverse effects on the pledgee's rights under this agreement without the prior written consent of Shanghai Manyin. The equity pledge agreement will remain effective until Shanghai Zihe and its shareholders discharge all their obligations under the contractual arrangements and the pledgee consents to such discharge in writing. We have completed the registration of the equity pledge with the office of the Administration of Market Regulation in accordance with the PRC Property Rights Law.

Agreement that allows us to receive economic benefits from Shanghai Zihe

Exclusive Technology Consulting and Service Framework Agreement. Shanghai Manyin and Shanghai Zihe entered into an exclusive technology consulting and service framework agreement on March 21, 2018. Pursuant to this agreement, Shanghai Manyin or its designated party has the exclusive right to provide Shanghai Zihe with technical support, consulting services, and other services. Without prior written consent from Shanghai Manyin, Shanghai Zihe may not accept any technical support and services covered by this agreement from any third party. The service fees that Shanghai Zihe needs to pay to Shanghai Manyin shall be determined on a case-by-case basis based on the content of technology consulting and service, level of difficulty and complexity, time spent by Shanghai Manyin and its employees, the commercial value of the technology consulting and service to be provided by Shanghai Manyin, and the revenue Shanghai Zihe generates due to the technology consulting and service provided by Shanghai Manyin. Shanghai Manyin shall own the intellectual property rights arising out of the provisions of services under this agreement. Unless Shanghai Manyin terminates this agreement in advance, this agreement will remain effective for 30 years, renewable upon Shanghai Manyin's advance written notice. Although this agreement can be terminated by mutual agreement between Shanghai Manyin and Shanghai Zihe, Shanghai Zihe has no right to unilaterally terminate this agreement.

Agreement that provides us with the option to purchase the equity interest in Shanghai Zihe

Exclusive Call Option Agreement. Shanghai Manyin, Shanghai Zihe, and the shareholders of Shanghai Zihe entered into an exclusive call option agreement on March 21, 2018. Pursuant to the exclusive call option agreement, the shareholders of Shanghai Zihe have irrevocably granted Shanghai Manyin or any third party designated by Shanghai Manyin an exclusive option to purchase all of their respective equity interests in Shanghai Zihe at the lowest price permitted by the PRC laws. The shareholders of Shanghai Zihe will immediately gift Shanghai Manyin or any third party designated by Shanghai Manyin with the purchase price after Shanghai Manyin or any third party designated by Shanghai Manyin exercises the option. The shareholders of Shanghai Zihe agree that without their separate consent, Shanghai Manyin may transfer all or part of its option under this agreement to a third party. Without prior written consent from Shanghai Manyin or its designated third party, Shanghai Zihe may not, among other things, amend its articles of association, increase or decrease the registered capital, sell, dispose of or set any encumbrance on its assets, business, or revenue outside the ordinary course of business, enter into any material contract, merge with any other persons, or make any investments, distribute dividends, or enter into any transactions which have material adverse effects on its business. The shareholders of Shanghai Zihe also jointly and severally undertake that they will not transfer, gift or otherwise dispose of their equity interests in Shanghai Zihe to any third party or create or allow any encumbrance on their equity interests within the term of this agreement. This agreement will remain effective for 30 years, renewable upon Shanghai Manyin's advance written notice.

Contractual Arrangements with Shanghai Ledao and Its Shareholders

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

Agreements that enable us to direct the activities of operation of Shanghai Ledao

Loan Agreement. Shanghai Manyin entered into a loan agreement with each of the shareholders of Shanghai Ledao, namely Mr. Lizhong Chen and Mr. Yejun Jiang on January 14, 2019, who are family relatives of two of our founders. Under the loan agreements, Shanghai Manyin has granted an interest-free loan of RMB50.0 million to the shareholders of Shanghai Ledao solely for their capital contributions to Shanghai Ledao. Upon written notice by Shanghai Manyin, the loan shall be repaid by the shareholders of Shanghai Ledao from the proceeds received by transferring their equity interests in Shanghai Ledao to Shanghai Manyin pursuant to the terms and conditions of the exclusive call option agreement among Shanghai Manyin, Shanghai Ledao, and the shareholders of Shanghai Ledao. If the proceeds received by the shareholders of Shanghai Ledao from such transferring are higher than the principal of the loan, the amount exceeding the principal shall be deemed as a cost for using the principal and shall be paid, to the extent permitted by laws, to Shanghai Manyin together with the principal. Shanghai Manyin has the right to request repayment of the loan before maturity.

Business Operation Agreement. Shanghai Manyin, Shanghai Ledao, and the shareholders of Shanghai Ledao entered into a business operation agreement on January 14, 2019. Pursuant to this agreement, Shanghai Ledao and its shareholders agree that to the extent permitted by law, they will accept and strictly execute instructions from Shanghai Manyin on business operations, such as the appointment of directors and senior management. Shanghai Ledao and its shareholders further agree that, without the prior written consent of Shanghai Manyin, Shanghai Ledao will not take any action that may have material effects on its assets, businesses, human resources, rights, obligations, or business operations. This agreement also requires each of Shanghai Ledao's shareholders to issue an irrevocable power of attorney authorizing Shanghai Manyin or any person(s) designated by Shanghai Manyin to execute shareholders' rights on behalf of such shareholder. Unless terminated in advance pursuant to this agreement, this agreement will remain effective for 30 years, renewable upon advance written notice by Shanghai Manyin.

Power of Attorney. Through a power of attorney dated January 14, 2019, each shareholder of Shanghai Ledao irrevocably authorizes Shanghai Manyin or any person(s) designated by Shanghai Manyin to act as his or her attorney-in-fact to exercise all of such shareholder's voting and other rights associated with the shareholder's equity interest in Shanghai Ledao, such as the right to call a shareholders' meeting, join a shareholders' meeting and sign any shareholders resolutions; the right to nominate and appoint the legal representative, directors, supervisors, general manager, chief financial officer and other officers, as well as all rights a shareholder may have as a shareholder under laws and constitutional documents. The power of attorney will remain in force and irrevocable during the term each shareholder remains as a shareholder of Shanghai Ledao.

Equity Pledge Agreement. Shanghai Manyin, Shanghai Ledao, and the shareholders of Shanghai Ledao entered into an equity pledge agreement on January 14, 2019. Pursuant to the equity pledge agreement, each shareholder of Shanghai Ledao has pledged all of his equity interest in Shanghai Ledao to Shanghai Manyin to guarantee the performance by such shareholder and Shanghai Ledao of their respective obligations under the loan agreement, the business operation agreement (including the power of attorney), the exclusive call option agreement and the exclusive technology consulting and service framework agreement. If Shanghai Ledao or any of its shareholders breaches any obligations under these agreements, Shanghai Manyin, as pledgee, will be entitled to dispose of the pledged equity and have priority to be compensated by the proceeds from the disposal of the pledged equity. Each of the shareholders of Shanghai Ledao agrees that before his obligations under the contractual arrangements are discharged, he will not dispose of the pledged equity interests, create or allow any encumbrance on the pledged equity interests, or take any action that may result in the change of the pledged equity that may have material adverse effects on the pledgee's rights under this agreement without the prior written consent of Shanghai Manyin. The equity pledge agreement will remain effective until Shanghai Ledao and its shareholders discharge all their obligations under the contractual arrangements and the pledgee consents to such discharge in writing. We have completed the registration of the equity pledge with the office of the Administration of Market Regulation in accordance with the PRC Property Rights Law.

Agreement that allows us to receive economic benefits from Shanghai Ledao

Exclusive Technology Consulting and Service Framework Agreement. Shanghai Manyin, and Shanghai Ledao entered into an exclusive technology consulting and service framework agreement on January 14, 2019. Pursuant to this agreement, Shanghai Manyin or its designated party has the exclusive right to provide Shanghai Ledao with technical support, consulting services and other services. Without prior written consent from Shanghai Manyin, Shanghai Ledao may not accept any technical support and services covered by this agreement from any third party. The service fees that Shanghai Ledao needs to pay to Shanghai Manyin shall be determined on a case-by-case basis based on the content of technology consulting and service, level of difficulty and complexity, time spent by Shanghai Manyin and its employees, the commercial value of the technology consulting and service to be provided by Shanghai Manyin and the revenue Shanghai Ledao generates due to the technology consulting and service provided by Shanghai Manyin. Shanghai Manyin shall own the intellectual property rights arising out of the provisions of services under this agreement. Unless Shanghai Manyin terminates this agreement in advance, this agreement will remain effective for 30 years, renewable upon Shanghai Manyin's advance written notice. Although this agreement can be terminated by mutual agreement between Shanghai Manyin and Shanghai Ledao, Shanghai Ledao has no right to unilaterally terminate this agreement.

Agreement that provides us with the option to purchase the equity interest in Shanghai Ledao

Exclusive Call Option Agreement. Shanghai Manyin, Shanghai Ledao, and the shareholders of Shanghai Ledao entered into an exclusive call option agreement on January 14, 2019. Pursuant to the exclusive call option agreement, the shareholders of Shanghai Ledao have irrevocably granted Shanghai Manyin or any third party designated by Shanghai Manyin an exclusive option to purchase all of their respective equity interests in Shanghai Ledao at the lowest price permitted by the PRC laws. The shareholders of Shanghai Ledao will immediately gift Shanghai Manyin or any third party designated by Shanghai Manyin with the purchase price after Shanghai Manyin or any third party designated by Shanghai Manyin exercises the option. The shareholders of Shanghai Ledao agree that without their separate consent, Shanghai Manyin may transfer all or part of its option under this agreement to a third party. Without prior written consent from Shanghai Manyin or its designated third party, Shanghai Ledao may not, among other things, amend its articles of association, increase or decrease the registered capital, sell, dispose of or set any encumbrance on its assets, business or revenue outside the ordinary course of business, enter into any material contract, merge with any other persons or make any investments, distribute dividends, or enter into any transactions which have material adverse effects on its business. The shareholders of Shanghai Ledao also jointly and severally undertake that they will not transfer, gift or otherwise dispose of their equity interests in Shanghai Ledao to any third party or create or allow any encumbrance on their equity interests within the term of this agreement. This agreement will remain effective for 30 years, renewable upon Shanghai Manyin's advance written notice.

In the opinion of Hui Ye Law Firm, our PRC counsel:

- the structures of the consolidated variable interest entities and our WFOEs are in compliance with PRC laws or regulations currently in effect; and
- the agreements under the contractual arrangements between our WFOEs, the consolidated variable interest entities and their shareholders governed by PRC law are valid, binding and enforceable under PRC law, and do not and will not result in any violation of applicable PRC laws or regulations currently in effect.

However, as of the date of this annual report, the legality and enforceability of our contractual arrangements, as a whole, have not been tested in any PRC court, and we cannot guarantee you that the contractual arrangements, as a whole, would ultimately be legal or enforceable if they were to be tested in a PRC court.

In addition, there are substantial uncertainties regarding the interpretation and application of current and future PRC laws, regulations and rules. Accordingly, the PRC regulatory authorities may in the future take a view that is contrary to the above opinion of our PRC counsel. If the PRC government finds that the agreements that establish the structure for the operation of the consolidated variable interest entities do not comply with PRC government restrictions on foreign investment in our business, 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 regarding the 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" and "—Uncertainties in the interpretation and enforcement of PRC laws and regulations could limit the legal protections available to us."

D. Property, Plants and Equipment

Our corporate headquarters is located in Shanghai. In February 2024, we acquired an office building, which we used to lease, of 17,179 square meters, along with the underlying land use rights in Shanghai, to serve as our global headquarters.

For our customer services and loan collection services, we leased an area of approximately 3,948 square meters in Changsha, approximately 5,743 square meters in Hefei, and approximately 2,585 square meters in Zhengzhou. For our operations in the overseas markets, we leased areas of approximately 5,198 square meters in Indonesia and approximately 4,855 square meters in the Philippines. We also leased office space in other places, primarily including Beijing, Hainan and Fujian in 2025. We lease our premises from unrelated third parties under operating lease agreements. The lease term varies from one year to four years. Our servers are primarily hosted at internet data centers owned by major domestic internet data center providers. We believe that our existing facilities are generally adequate to meet our current needs, but we expect to seek additional space as needed to accommodate future growth.

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 Statements” on page 2 of this annual report. 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 platform with strong brand recognition across China and key overseas markets. Launched in 2007, we have been a pioneer in China’s online consumer finance industry. Our loan origination volume in China in 2023, 2024 and 2025 was RMB186.4 billion, RMB196.1 billion and RMB186.3 billion (US\$26.6 billion), respectively. Since 2018, we have expanded our operations to overseas markets such as Indonesia and the Philippines. In 2025, we further expanded into the Australian market through the acquisition of a licensed lender, extending our platform’s reach to both emerging and developed markets. Our loan origination volume in the overseas markets increased from RMB7.9 billion as of December 31, 2023 to RMB10.1 billion as of December 31, 2024 and further to RMB14.0 billion (US\$2.0 billion) as of December 31, 2025. In 2025, we generated 75.4% of our revenues from China and 24.6% of our revenues from the overseas markets. Our operating metrics as of any given date, to the extent applicable, include those of Fundo Loans Pty Ltd as of such date. Our operating metrics for a given period, to the extent applicable, include those of Fundo Loans Pty Ltd for the period following its acquisition.

We primarily offer short-term loans to our borrowers to meet their immediate credit needs while allowing them to gradually establish their credit history through activities on our platforms. In 2023, 2024 and 2025, the average principal amount of loans originated on our platform in China was RMB8,318, RMB10,402 and RMB10,914 (US\$1,561), respectively, with an average term of 8.3 months, 8.0 months and 8.3 months, respectively. Borrowers come to our platforms for convenient, simple and fast loan transaction process. We generally have a high level of borrower stickiness. In 2023, 2024 and 2025, 87.2%, 86.5% and 84.9% of the total loan origination volume, respectively on our platform in China was generated from repeat borrowers who had at least one drawdown before.

We generate revenues primarily by collecting transaction service fees from institutional funding partners for our services provided to them such as borrower introduction and preliminary credit assessment, as well as other services we provide along the lifecycle of loans. Our net revenues grew from RMB12.5 billion in 2023 to RMB13.1 billion in 2024 and further to RMB13.6 billion (US\$1.9 billion) in 2025. Our net profit was RMB2.4 billion in 2023, RMB2.4 billion in 2024 and RMB2.5 billion (US\$0.4 billion) in 2025.

General Factors Affecting Our Results of Operations

Our business and results of operations are affected by general factors affecting the online consumer finance industry in the markets where we operate, which include, among other things:

- overall economic growth;
- per capita disposable income;
- fluctuation of interest rates; and
- development of regulatory environment for the online consumer finance industry in the markets where we operate.

Unfavorable changes in any of these general industry conditions could negatively affect demand for our services.

Specific Factors Affecting Our Results of Operations

While our business is exposed to general factors affecting the online consumer finance industry in China and the overseas markets, we believe our results of operations are more directly affected by company specific factors, including the following major factors.

Ability to Maintain and Expand Our Borrower Base in a Cost-effective Manner

Our revenues are dependent on our ability to acquire new borrowers and retain and increase engagement of existing borrowers. We use various means, including mobile app stores, search engine marketing, online advertising and online partnerships, to attract new borrowers. We also establish an offline direct sales team to acquire new borrowers across different cities in China and Indonesia. We consistently seek to improve and optimize user experience to achieve a high level of borrower satisfaction, which helps to attract and retain borrowers. We will also continue to develop new loan products to enhance engagement of our borrowers.

Our results of operations and ability to sustain and increase loan origination volume will depend, in part, on the effectiveness of our sales and marketing efforts. Our sales and marketing expenses were 15.0%, 15.4% and 16.2% of our total operating revenues in 2023, 2024 and 2025, respectively. The increase in our sales and marketing expenses as a percentage of our total operating revenues in 2025 was attributable to our efforts on acquiring better quality borrowers in both China and overseas markets. We intend to consistently dedicate significant resources to borrower acquisition and improve the effectiveness of these efforts.

Ability to Maintain and Expand Our Cooperation with Institutional Funding Partners

Our revenues are also dependent on the maintenance and growth of our cooperation with institutional funding partner. As of December 31, 2025, we had cumulatively cooperated with 115 institutional funding partners in China and 18 institutional funding partners in the overseas markets. Going forward, we will continue to retain existing institutional funding partners and attract new institutional funding partners by offering attractive returns and providing enhanced tools to meet their needs.

Maintenance of Effective Risk Management

Our ability to effectively segment borrowers into appropriate risk profiles impacts our ability to attract and retain borrowers and institutional funding partners. We intend to optimize our fraud detection capabilities, improve accuracy of our credit scoring model and enhance our collection effectiveness on a continuing basis through the combination of our big-data analytical capabilities and the increasing amount of data we accumulate through our operations.

For our institutional funding partners, we provide our institutional funding partners with quality assurance commitments for a substantial majority of the loans they have funded. See “Item 4. Information on the Company—B. Business Overview—Quality Assurance Commitments for Our Institutional Funding Partners.” As a result, we are subject to credit risk for such loans. Our ability to accurately estimate loan delinquency rates and our ability to collect delinquent loans have an impact on the amount we need to pay to third-party financing guarantee companies and our institutional funding partners, which have an impact on our consolidated statements of comprehensive income. See “—E. Critical Accounting Estimates—Allowance for Credit Losses,” and “Item 3. Key Information—D. Risk Factors—Risks Related to Our Business—Regulatory restrictions on institutional funding partners’ acceptance of credit enhancement may adversely affect our business and access to funding.”

Ability to Price Accurately

Our profitability largely depends on our ability to reasonably price the loans facilitated through our platforms. We implement segmented pricing for our standard loan products, which contributed a majority of our revenues in the periods presented in this annual report. Prospective borrowers for our standard loan products are divided into eight segments based on our proprietary credit scoring model: Level I applicants have the lowest risk of default whereas Level VIII loan applicants, whose applications will be rejected, have the highest risk of default. The transaction service fee rate that we collected from borrowers for standard loan products varies depending on their respective credit levels and duration of the underlying loan.

Ability to Innovate

Our growth to date has depended on, and our future success will depend in part on, successfully meeting borrower and institutional funding partner demand for new products and services. We have made and intend to continue to make substantial investments to develop products and improve services for borrowers and institutional funding partners. For borrowers, we plan to introduce new features and products that meet their evolving financial needs at different stages of their lives. For our institutional funding partners, we will continue to expand our products and services to meet their needs for target returns, risk preferences, investment horizon and liquidity requirements. Failure to continue to successfully develop and offer innovative products could adversely affect our operating results and we may not recoup the costs of launching and marketing new products.

In addition, our success to date is largely attributable to our ability to seamlessly integrate the use of technologies into provision of financial services. We have been focusing on leveraging our big-data analytics and machine learning capabilities to increase the automation level of our platforms and optimize our operational efficiency in various aspects. As our business grows, we will continue to invest in strengthening our technology infrastructure, which may result in the increase of our research and development expenses, and origination and servicing expenses.

Ability to Compete Effectively

We compete for both borrowers and institutional funding partners with a variety of players in the consumer finance industry, ranging from traditional financial institutions to emerging online finance providers and platforms. We must compete effectively in order to grow our platforms and increase our revenues. We intend to continue to invest in product development, technology infrastructure and our sales and marketing capabilities to address the competition we face.

Loan Performance Data

90 Day+ Delinquency Rate

We defined the 90+ day delinquency rate as of a given date as the outstanding principal balance of loans in China, excluding the portion of the principal facilitated without credit risk exposure, that are 90 to 179 days past due, expressed as a percentage of the total outstanding principal balance of loans, excluding those facilitated without credit risk exposure, on that date. Loans that are delinquent for 180 days or more are typically considered charged-off and are not included in the delinquency rate calculation. The table below presents our 90+ day delinquency rates for outstanding loans on our platform in China as of December 31, 2023, 2024 and 2025, all calculated based on this latest definition.

As of	90 Day+ Delinquency Rate⁽¹⁾
December 31, 2023	1.98%
December 31, 2024	2.13%
December 31, 2025	2.85%

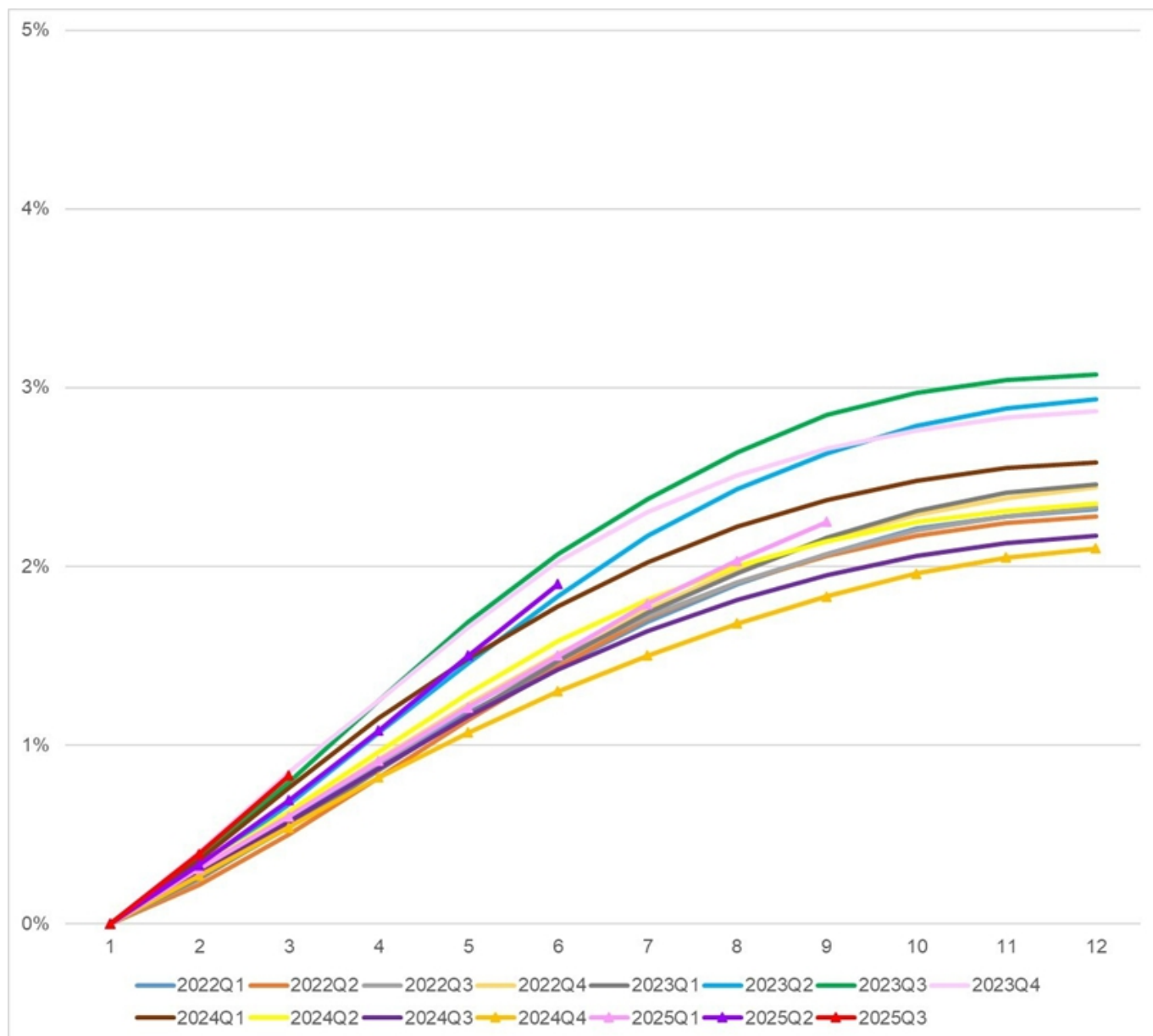
Note:

(1) Since the origination amount of our standard loan products accounted for the vast majority of the total origination amount of loans facilitated on our platform in China in the past three years, the 90 day+ delinquency rate in this table mainly reflects the performance of our standard loan products in China.

Delinquency Rate by Vintage

We refer to loans facilitated during a specified time period as a vintage. We define vintage delinquency rate as (i) the total amount of principal for all the loans in a vintage that become delinquent, less (ii) the total amount of recovered past due principal for all loans in the same vintage, and then divided by (iii) the total amount of initial principal for all loans in such vintage. For purpose of this annual report, loans facilitated during a specified time period are referred to as a vintage. Loans that have been considered charged-off are included in the calculation of vintage delinquency rates. Only the portion of the principal for which we bear risk is included in the delinquent, recovered, and initial principal amounts.

The following chart and table display the historical cumulative 30-day plus past due delinquency rates by loan origination vintage for all continuing loan products that we bear risk and are facilitated through our online platform in China.



Notes:

- (1) Our vintage delinquency rate for loans bearing credit risk facilitated through our platform during 2023 was 2.84%, calculated as the volume-weighted average of the quarterly vintage delinquency rates at the end of the 12th month following the inception of each loan in an applicable vintage.
- (2) Our vintage delinquency rate for loans bearing credit risk facilitated through our platform during 2024 was 2.32%, calculated as the volume-weighted average of the quarterly vintage delinquency rates at the end of the 12th month following the inception of each loan in an applicable vintage.
- (3) As of December 31, 2025, our vintage delinquency rate for loans bearing credit risk facilitated through our platform during the first three quarters was 1.69%, calculated as the volume-weighted average of the quarterly vintage delinquency rates as of December 31, 2025. As loans bearing credit risk facilitated through our platform during 2023 continue to age, the delinquency rate for the 2025 vintage, calculated as the volume-weighted average of the quarterly vintage delinquency rates at the end of the 12th month following the inception of each loan in an applicable vintage, may be different from the vintage delinquency rate of 1.69% as of December 31, 2025.

Results of Operations

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

	For the Year Ended December 31,					
	2023		2024		2025	
	RMB	%	RMB	%	RMB	US\$
	(in thousands except for percentages)					
Operating revenues:						
Loan facilitation service fees	4,520,504	36.0	4,694,380	36.0	5,176,457	740,224
Post-facilitation service fees	1,969,705	15.7	1,740,241	13.3	1,629,777	233,055
Guarantee income	4,478,995	35.7	5,085,296	38.9	4,124,934	589,858
Net interest income	1,049,379	8.4	853,779	6.5	1,336,459	191,111
Other revenue	528,862	4.2	692,128	5.3	1,301,856	186,163
Net revenues	12,547,445	100.0	13,065,824	100.0	13,569,483	1,940,411
Operating expenses:						
Origination, servicing expenses and other cost of revenue	(2,111,515)	(16.9)	(2,381,839)	(18.2)	(2,870,221)	(410,436)
Origination, servicing expenses and other cost of revenue-related party	—	—	—	—	(29,928)	(4,280)
Sales and marketing expenses	(1,887,442)	(15.0)	(2,014,254)	(15.4)	(2,200,543)	(314,673)
General and administrative expenses	(390,022)	(3.1)	(413,548)	(3.2)	(442,148)	(63,226)
Research and development expenses	(510,986)	(4.1)	(496,740)	(3.8)	(536,617)	(76,735)
Credit losses for quality assurance commitment	(4,422,802)	(35.2)	(4,587,254)	(35.2)	(3,462,384)	(495,114)
Provision for loans receivable	(586,843)	(4.7)	(320,013)	(2.4)	(637,700)	(91,190)
Provision for accounts receivable and contract assets	(253,948)	(2.0)	(317,049)	(2.4)	(425,966)	(60,912)
Impairment of goodwill and intangible assets	—	—	—	—	(50,676)	(7,247)
Total operating expenses	(10,163,558)	(81.0)	(10,530,697)	(80.6)	(10,656,183)	(1,523,813)
Interest expenses	—	—	—	—	(28,472)	(4,071)
Other income, net	394,698	3.1	310,123	2.4	216,617	30,975
Profit before income tax expenses	2,778,585	22.1	2,845,250	21.8	3,101,445	443,502
Income tax expenses	(395,100)	(3.1)	(457,405)	(3.5)	(556,243)	(79,542)
Net profit	2,383,485	19.0	2,387,845	18.3	2,545,202	363,960

Revenues

Our operating revenues include loan facilitation service fees, post-facilitation service fees, guarantee income, net interest income, and other revenues. We generate revenues primarily by collecting transaction service fees from institutional funding partners for our services provided to them such as borrower introduction and preliminary credit assessment, as well as other services we provide along the lifecycle of loans.

Typically, we provided quality assurance service, loan facilitation services and post-facilitation services to the borrowers and institutional funding partners. The quality assurance service is within the scope of Accounting Standards Codification Topic 460 Guarantees and recorded at fair value at the inception of the loans. For loan facilitation services and post-facilitation services we provide, we charged one combined transaction service fee for its delivery of loan facilitation services and post-facilitation services, each of which are distinct performance obligations. We estimate the total consideration to be received over the life of the underlying loan by modeling early termination scenarios. The average rate of transaction service fees, which is computed by dividing the total amount of transaction service fees we received during the period by the total volume of loans originated on our platforms in China during the same period, was 3.1% in 2023, 3.1% in 2024 and 3.1% in 2025.

Loan facilitation service fees

For each loan facilitated on our platforms, we collect transaction service fees and allocate such fees between loan facilitation services and post-facilitation services that we provide. Loan facilitation service fees are the portion of transaction service fees collected for the work we perform through our platforms in connecting borrowers with institutional funding partners and facilitating the origination of loan transactions.

2025 Compared to 2024. Loan facilitation service fees increased by 10.3% from RMB4,694.4 million in 2024 to RMB5,176.5 million (US\$740.2 million) in 2025, primarily due to an increase in the transaction volume and average rate of transaction service fees in the overseas market, partially offset by the decrease in the transaction volume and average rate of transaction service fees in the China market. The loan origination volume decreased from approximately RMB206.2 billion in 2024 to RMB200.3 billion (US\$28.6 billion) in 2025. The decrease in the loan origination volume was primarily driven by a decrease in the loan origination volume generated from the China market.

2024 Compared to 2023. Loan facilitation service fees increased by 3.8% from RMB4,520.5 million in 2023 to RMB4,694.4 million in 2024, primarily due to an increase in the loan origination volume. The loan origination volume increased from approximately RMB194.3 billion in 2023 to RMB206.2 billion in 2024. The increase in the loan origination volume was primarily driven by an increase in the loan origination volume generated from the overseas market.

Post-facilitation service fees

Post-facilitation service fees are the portion of transaction service fees collected for services we provide after loan origination, such as repayment facilitation and loan collection.

2025 Compared to 2024. Post-facilitation service fees decreased by 6.3% from RMB1,740.2 million in 2024 to RMB1,629.8 million (US\$233.1 million) in 2025, primarily due to the rolling impact of deferred transaction fees in the China market.

2024 Compared to 2023. Post-facilitation service fees decreased by 11.6% from RMB1,969.7 million in 2023 to RMB1,740.2 million in 2024, primarily due to the rolling impact of deferred transaction fees in the China market.

Guarantee income

Liabilities of quality assurance commitment are released as guarantee income systematically over the term of the loans subject to quality assurance commitment.

2025 Compared to 2024. Our guarantee income decreased by 18.9% from RMB5,085.3 million in 2024 to RMB4,124.9 million (US\$589.9 million) in 2025, primarily due to the decrease in risk-bearing loans in the China market, partially offset by an increase in such loans in the overseas market, as well as the rolling impact of deferred guarantee income. The fair value of quality assurance commitment upon loan origination is released as guarantee income systematically over the term of the loans subject to quality assurance commitment.

2024 Compared to 2023. Our guarantee income increased by 13.5% from RMB4,479.0 million in 2023 to RMB5,085.3 million in 2024, primarily due to the increased outstanding loan balance of the off-balance sheet loans in the overseas markets, as well as the rolling impact of the deferred guarantee income. The fair value of quality assurance commitment upon loan origination is released as guarantee income systematically over the term of the loans subject to quality assurance commitment.

Net interest income

The following table sets forth the composition of the interest income recorded in the consolidated statement of comprehensive income related to the loans originated on our platforms for the periods presented:

	For the Year Ended December 31,		
	2023	2024	2025
	(RMB in thousands)		
Interest income from loans originated through micro-lending company ⁽¹⁾	59,420	79,249	169,375
Interest income from loans originated in the overseas markets ⁽¹⁾	782,379	492,084	575,984
Interest income from loans originated under the trust arrangements	260,694	301,815	628,018
Total interest income	1,102,493	873,148	1,373,377

Note:

(1) Typically, for loans originated through micro-lending company and in the overseas markets, these loans are funded by us with no interest bearing liabilities.

The following table sets forth the average balances and interest rates of the interest-earning asset and interest-bearing liability under the trust arrangements for the periods presented:

	Average balance	Interest income/ expense	Yield/ rate	Average balance	Interest income/ expense	Yield/ rate	Average balance	Interest income/ expense	Yield/ rate
	2023			2024			2025		
(RMB in thousands)									
Interest-earning Assets									
Loans receivable from consolidated trusts	967,289	260,694	27.0%	1,258,526	301,815	24.0%	4,220,135	628,018	14.9%
Interest-bearing liabilities									
Funds payable to investors of consolidated trusts	894,481	53,114	5.9%	496,439	19,369	3.9%	860,883	36,918	4.3%
The net yield on interest-earning assets			21.5%			22.4%			14.0%

In 2025, we recorded interest income of RMB1,373.4 million (US\$196.4 million) and interest expenses of RMB36.9 million (US\$5.3 million), compared to interest income of RMB873.1 million and interest expenses of RMB19.4 million in 2024. In 2023, we recorded interest income of RMB1,102.5 million and interest expenses of RMB53.1 million.

Our interest income and interest expenses in 2023, 2024 and 2025 were related to loans originated in the China and overseas markets, as well as the trusts we set up in collaboration with trust management companies. In order to provide more flexibility and access a broader range of investors, we have collaborated with third-party trust management companies to set up numerous trusts. Those trusts are administered by third-party trust management companies. We are considered the primary beneficiary of those trusts and therefore consolidated the financial results of those trusts in our consolidated financial statements in accordance with U.S. GAAP.

Other revenue

Other revenue mainly includes customer referral fees and revenue generated from new businesses.

2025 Compared to 2024. Other revenue increased by 88.1% from RMB692.1 million in 2024 to RMB1,301.9 million (US\$186.2 million) in 2025, primarily due to the increased contributions from other revenue streams, including other value-added services.

2024 Compared to 2023. Other revenue increased by 30.9% from RMB528.9 million in 2023 to RMB692.1 million in 2024, primarily due to the increased contributions from other revenue streams.

Operating Expenses

Our operating expenses consist of origination and servicing expenses, sales and marketing expenses, general and administrative expenses, research and development expenses, credit losses for quality assurance commitment, provision for loans receivable, and provision for accounts receivable and contract assets.

Origination, servicing expenses and other cost of revenue

Origination, servicing expenses and other cost of revenue consist primarily of expenses for credit assessment, loan origination, salaries and benefits for the personnel who work on credit checking, data processing and analysis, loan origination, customer service, loan collection and other cost of revenue.

2025 Compared to 2024. Our origination, servicing expenses and other cost of revenue increased by 20.5% from RMB2,381.8 million in 2024 to RMB2,870.2 million (US\$410.4 million) in 2025, primarily due to higher facilitation costs in both China and overseas markets. Origination, servicing expenses and other cost of revenue for the period included share-based compensation of RMB56.6 million (US\$8.1 million).

2024 Compared to 2023. Our origination, servicing expenses and other cost of revenue increased by 12.8% from RMB2,111.5 million in 2023 to RMB2,381.8 million in 2024, primarily due to an increase in the facilitation costs and loan collection expenses as a result of the higher outstanding loan balance. Origination, servicing expenses and other cost of revenue for the period included share-based compensation of RMB39.6 million.

Origination, servicing expenses and other cost of revenue-related party

Origination, servicing expenses and other cost of revenue-related party consist primarily of expenses with Smart Frontier, which offer operation and support services.

2025 Compared to 2024. Our origination, servicing expenses and other cost of revenue-related party increased from nil in 2024 to RMB29.9 million in 2025, due to transactions with Smart Frontier.

Sales and marketing expenses

Sales and marketing expenses consist primarily of advertising and online marketing promotion expenses.

2025 Compared to 2024. Our sales and marketing expenses increased by 9.2% from RMB2,014.3 million in 2024 to RMB2,200.5 million (US\$314.7 million) in 2025, primarily due to an increase in the advertising and online marketing expenses from RMB1,994.1 million in 2024 to RMB2,183.9 million (US\$312.3 million) in 2025. Our advertising and online marketing expenses primarily include expenses paid to internet marketing channels for online advertising and search engine marketing as well as to certain websites that enable us to reach quality borrowers. The increase in the advertising and online marketing expenses was primarily driven by our increased proactive customer acquisition efforts focusing on quality borrowers in both China and the overseas markets. Our sales and marketing expenses as a percentage of our total operating revenues increased from 15.4% to 16.2% during the same period, primarily attributable to the increase in the revenue generated from new borrowers.

2024 Compared to 2023. Our sales and marketing expenses increased by 6.7% from RMB1,887.4 million in 2023 to RMB2,014.3 million in 2024, primarily due to an increase in the advertising and online marketing expenses from RMB1,871.4 million in 2023 to RMB1,994.1 million in 2024. Our advertising and online marketing expenses primarily include expenses paid to internet marketing channels for online advertising and search engine marketing as well as to certain websites that enable us to reach quality borrowers. The increase in the advertising and online marketing expenses was primarily driven by our increased proactive customer acquisition efforts focusing on quality borrowers in both China and the overseas markets. Our sales and marketing expenses as a percentage of our total operating revenues increased from 15.0% to 15.4% during the same period, primarily attributable to the increase in the revenue generated from new borrowers.

General and administrative expenses

General and administrative expenses consist primarily of salaries and benefits for general management, finance and administrative personnel, rental, professional service fees and other expenses.

2025 Compared to 2024. Our general and administrative expenses increased by 6.9% from RMB413.5 million in 2024 to RMB442.1 million (US\$63.2 million) in 2025, primarily due to the increase in rents and renovation expenses, professional service fees and miscellaneous administrative expenses. General and administrative expenses in 2025 included share-based compensation of RMB51.0 million (US\$7.3 million). Our general and administrative expenses as a percentage of our total operating revenues increased from 3.2% to 3.3% during the same period.

2024 Compared to 2023. Our general and administrative expenses increased by 6.0% from RMB390.0 million in 2023 to RMB413.5 million in 2024, primarily due to the increased benefits we provided to our employees. General and administrative expenses in 2024 included share-based compensation of RMB59.6 million. Our general and administrative expenses as a percentage of our total operating revenues increased from 3.1% to 3.2% during the same period, primarily due to the increased benefits we provided to our employees.

Research and development expenses

2025 Compared to 2024. Research and development expenses increased by 8.0% from RMB496.7 million in 2024 to RMB536.6 million (US\$76.7 million) in 2025, due to increased investments in technology development. Our research and development expenses in 2025 included the share-based compensation expenses of RMB41.5 million (US\$5.9 million). Our research and development expenses as a percentage of our total operating revenues increased from 3.8% to 4.0%, primarily due to higher investments in technology development.

2024 Compared to 2023. Research and development expenses decreased by 2.8% from RMB511.0 million in 2023 to RMB496.7 million in 2024, due to our improved technology development efficiency. Our research and development expenses in 2024 included the share-based compensation expenses of RMB44.9 million. Our research and development expenses as a percentage of our total operating revenues decreased from 4.1% to 3.8%, primarily due to our improved technology development efficiency.

Credit losses for quality assurance commitment

Credit losses for quality assurance commitment was accounted for in addition to and separately from the guarantee liabilities accounted for under the Accounting Standards Codification 460.

2025 Compared to 2024. Credit losses for quality assurance commitment decreased by 24.5% from RMB4,587.3 million in 2024 to RMB3,462.4 million (US\$495.1 million) in 2025, primarily due to the decrease in risk-bearing loans in the China market, partially offset by the increase in risk-bearing loans in the overseas market.

2024 Compared to 2023. Credit losses for quality assurance commitment increased by 3.7% from RMB4,422.8 million in 2023 to RMB4,587.3 million in 2024, primarily due to the increased outstanding loan balances of the off-balance sheet loans in the overseas markets, partially offset by the decrease in the proportion of loans bearing credit risk in China.

Provision for loans receivable

2025 Compared to 2024. Our provision for loans receivables increased by 99.3% to RMB637.7 million (US\$91.2 million) in 2025 from RMB320.0 million in 2024, primarily due to the increase in the outstanding loan balance of on-balance sheet loans in both China and the overseas market.

2024 Compared to 2023. Our provision for loans receivables decreased by 45.5% to RMB320.0 million in 2024 from RMB586.8 million in 2023, primarily due to the decreases in the transaction volume and the outstanding loan balances of the on-balance sheet loans in the overseas markets.

Provision for accounts receivable and contract assets

2025 Compared to 2024. Our provision for accounts receivable and contract assets increased by 34.4% from RMB317.0 million in 2024 to RMB426.0 million (US\$60.9 million) in 2025, primarily due to increased transaction volume of off-balance sheet loans in the overseas market.

2024 Compared to 2023. Our provision for accounts receivable and contract assets increased by 24.8% from RMB253.9 million in 2023 to RMB317.0 million in 2024, primarily due to the decrease in provisions from other third-party platforms in 2023.

Impairment of goodwill and intangible assets

2025 Compared to 2024. Impairment of goodwill and intangible assets increased from nil in 2024 to RMB50.7 million (US\$7.2 million) in 2025. The increase was primarily due to an impairment of goodwill related to a certain micro-lending company acquired by the Group in 2017, following a performance review during the year.

Other Income

2025 Compared to 2024. Our other income decreased from RMB310.1 million in 2024 to RMB216.6 million (US\$31.0 million) in 2025, primarily due to lower gains from a reduction in investment products, reduced income from investments, and the reduction in government subsidies.

2024 Compared to 2023. Our other income decreased from RMB394.7 million in 2023 to RMB310.1 million in 2024, primarily due to the decrease in government subsidies.

Income Tax Expenses

2025 Compared to 2024. Our income tax expenses increased from RMB457.4 million in 2024 to RMB 556.2 million (US\$79.5 million) in 2025, primarily due to the increase in pre-tax profit and the increase in effective tax rate.

2024 Compared to 2023. Our income tax expenses increased from RMB395.1 million in 2023 to RMB457.4 million in 2024, primarily due to the increase in pre-tax profit and effective tax rate.

Net Profit

As a result of the foregoing, our net profit was RMB2.4 billion in 2023, RMB2.4 billion in 2024 and RMB2.5 billion (US\$364.0 million) in 2025.

Taxation

Cayman Islands

We are incorporated in the Cayman Islands. The Cayman Islands currently have no income, corporation or capital gains tax.

Hong Kong

Our subsidiary incorporated in Hong Kong is subject to Hong Kong profits tax at a rate of 16.5%. No Hong Kong profits 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.

Indonesia

Based on Income Tax Law of Indonesia, the subsidiaries incorporated in the Indonesia are subject to income tax of 22% for domestic operations in general and 11% for business entities with gross revenue below IDR4.8 billion. The effective tax rate will be applied on a proportional basis if gross income is above IDR4.8 billion and below IDR 50 billion.

Philippines

Under Philippines CREATE Law act of 2020, the subsidiaries incorporated in the Philippines are subject to income tax of 25% for domestic corporations in general and 20% for corporations with net taxable income not exceeding PHP5,000,000 and total assets excluding land not exceeding PHP100,000,000.

China

Generally, our PRC subsidiaries, consolidated variable interest entities and their respective subsidiaries, which are considered PRC resident enterprises under PRC tax law, are subject to enterprise income tax on their worldwide taxable income as determined under PRC tax laws and accounting standards at a rate of 25%. A “high and new technology enterprise” is entitled to a favorable statutory tax rate of 15% and such qualification is reassessed by governmental authorities every three years. Besides, a company qualified as a “software enterprise” is entitled to an exemption of income tax for the first two fiscal years and a favorable tax rate of 12.5% from the third to the fifth year. Such qualification is reassessed by governmental authorities annually. In 2020, one of our PRC subsidiaries was recognized as a “software enterprise” and was entitled to a preferential income tax rate of 12.5% from 2022 to 2024. In 2023, one of our PRC subsidiaries was recognized as “Hainan encouraged industrial enterprise” and was entitled to a preferential income tax rate of 15%. In November 2023, Hainan Shanghu was qualified as HNTE and was entitled to a preferential income tax rate of 15% from 2023 to 2025. In December 2025, Shanghai Gami Technology Co., Ltd. (“Shanghai Gami”) was qualified as HNTE and was entitled to a preferential income tax rate of 15% from 2025 to 2027. In July 2023, Hainan Shenxin was recognized as Hainan encouraged industrial enterprise and was entitled to a preferential income tax rate of 15%. In 2025, tax benefit for Hainan Shenxin expired and the income tax rate reverted to 25%.

We are subject to value added tax at a rate of 6% on the services we provide to borrowers and institutional funding partners, less any deductible value added tax we have already paid or borne. We are also subject to surcharges on value added tax payments in accordance with PRC law. Value added tax has been phased in since May 2012 to replace the business tax that was previously applicable to the services we provide. During the periods presented, we were not subject to business tax on the services we provide.

Dividends paid by our wholly foreign-owned subsidiary in China to our intermediary holding company in Hong Kong will be subject to a withholding tax rate of 10%, unless the 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 tax authority. We accrued withholding tax liabilities based on a 10% tax rate for certain percentage of the PRC subsidiaries’ profits to be distributed in 2024 and 2025, respectively. If our Hong Kong subsidiary satisfies all the requirements under the tax arrangement and receives approval from the tax authority, then the dividends paid to the Hong Kong subsidiary would be subject to withholding tax at the standard rate of 5%. See “Item 3. Key Information—D. Risk Factors—Risks Related to Doing Business in China—We may 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 and 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 Enterprise Income Tax Law of the PRC, 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.”

Discussion of Certain Balance Sheet Items

The following table sets forth selected information from our consolidated balance sheet as of December 31, 2023, 2024 and 2025. This information should be read together with our consolidated financial statements and related notes included elsewhere in this annual report. The following selected consolidated balance sheet as of December 31, 2023 are derived from our audited consolidated balance sheet as of December 31, 2023 not included in this annual report.

	As of December 31,			
	2023	2024	2025	
	RMB	RMB	RMB	US\$
	(RMB in thousands)			
Assets:				
Cash and cash equivalents	4,969,319	4,672,772	4,285,121	612,764
Restricted cash	1,800,071	2,074,300	1,912,850	273,534
Short-term investments	2,960,821	2,832,382	3,015,226	431,172
Quality assurance receivable, net of credit loss allowance for quality assurance receivable	1,755,615	1,639,591	1,315,184	188,069
Investments	1,135,133	1,173,003	1,141,816	163,278
Loans receivable, net of credit loss allowance for loans receivable	1,127,388	4,157,621	6,471,619	925,429
Accounts receivable and contract assets, net of credit loss allowance for accounts receivable and contract assets	2,208,538	2,405,880	2,028,585	290,084
Total assets	21,293,673	23,607,121	25,413,604	3,634,098
Liabilities and shareholders’ equity				
Liabilities:				
Deferred guarantee income	1,882,036	1,515,950	1,119,004	160,015
Liability from quality assurance commitment	3,306,132	2,964,116	2,574,842	368,198
Funds payable to investors of consolidated trusts	436,352	796,122	778,531	111,328
Total liabilities	7,422,775	8,053,446	8,569,617	1,225,438
Total shareholders’ equity	13,870,898	15,553,675	16,843,987	2,408,660

Cash and Cash Equivalents

Our cash and cash equivalents decreased by 6.0% from RMB5.0 billion as of December 31, 2023 to RMB4.7 billion as of December 31, 2024, primarily due to cash invested via consolidated trust.

Our cash and cash equivalents decreased by 8.3% from RMB4.7 billion as of December 31, 2024 to RMB4.3 billion (US\$612.8 million) as of December 31, 2025, primarily due to the decrease of cash invested via consolidated trust.

Restricted Cash

Restricted cash mainly included cash under the quality assurance commitment and in the quality assurance fund, cash received from investors and borrowers that has yet to be disbursed, cash received via consolidated trust that has not been distributed, cash held in escrow accounts, and cash received from borrower to be distributed to funding partners. The following table sets forth a breakdown of our restricted cash as of December 31, 2023, 2024 and 2025:

	As of December 31,			
	2023	2024	2025	
	RMB	RMB	RMB	US\$
	(in thousands)			
Restricted cash:				
Quality assurance commitment and quality assurance fund	342,163	—	—	—
Cash received from investors and borrowers	78,766	111,409	120,391	17,216
Cash received via consolidated trust that has not yet been distributed	265,924	701,928	600,346	85,848
Escrow accounts	608,185	864,440	810,959	115,966
Cash received from borrower to be distributed to funding partners	415,033	396,523	381,154	54,504
Cash held in capital escrow account as paid-in capital	90,000	—	—	—
Total restricted cash	1,800,071	2,074,300	1,912,850	273,534

Restricted cash increased by 15.2% from RMB1.8 billion as of December 31, 2023 to RMB2.1 billion as of December 31, 2024, primarily due to (i) an increase of RMB436.0 million in cash received via consolidated trusts that has not yet been distributed due to the increase in trust investment over the year, and (ii) an increase of RMB256.3 million in escrow accounts due to the increased guarantee amount for our financing guarantee, partially offset by a decrease of RMB342.2 million in cash in quality assurance commitment and quality assurance fund due to the settlement under our quality assurance commitment in 2024.

Restricted cash decreased by 7.8% from RMB2.1 billion as of December 31, 2024 to RMB1.9 billion (US\$273.5 million) as of December 31, 2025, primarily due to (i) a decrease of RMB101.6 million in cash received via consolidated trusts that has not yet been distributed due to the cash settlement to investors of consolidated trusts by the year end of 2025, (ii) a decrease of RMB53.5 million in escrow accounts jointly managed by our group and institutional funding partners due to the decreased guarantee amount for our financing guarantee.

Short-term Investments

Short-term investments mainly consist of investments in time deposits placed with banks and investments in short-term wealth management products.

Our short-term investments decreased by 4.3% from RMB3.0 billion as of December 31, 2023 to RMB2.8 billion as of December 31, 2024, primarily due to the maturity of some wealth management products we purchased in the past.

Our short-term investments increased by 6.5% from RMB2.8 billion as of December 31, 2024 to RMB3.0 billion (US\$431.2 million) as of December 31, 2025, primarily due to increase in the purchasing of wealth management products.

Quality Assurance Receivable

Quality assurance receivable decreased by 6.6% from RMB1.8 billion as of December 31, 2023 to RMB1.6 billion as of December 31, 2024, primarily due to the decreased proportion of loans bearing credit risk in China.

Quality assurance receivable decreased by 19.8% from RMB1.6 billion as of December 31, 2024 to RMB1.3 billion (US\$188.1 million) as of December 31, 2025, primarily due to the decreased proportion of loans bearing credit risk in China.

Loans receivable

Loans receivable increased by 268.8% from RMB1.1 billion as of December 31, 2023 to RMB4.2 billion as of December 31, 2024, primarily due to the increase in the on-balance loan origination volume.

Loans receivable increased by 55.7% from RMB4.2 billion as of December 31, 2024 to RMB6.5 billion (US\$925.4 million) as of December 31, 2025, primarily due to the increase in the on-balance loan origination volume.

Accounts Receivable and Contract Assets and Related Provision

Accounts receivable and contract assets primarily consists of transaction service fees for facilitation and post facilitation services. Provision for credit loss allowance mainly consist of provision for accounts receivable and contract assets for loan facilitation and post facilitation services.

Accounts receivable and contract assets increased by 7.0% to RMB2.7 billion as of December 31, 2024 from RMB2.5 billion as of December 31, 2023, mainly due to an increase in the loan origination volume in 2024. Provision for credit loss allowance decreased from RMB310.4 million as of December 31, 2023 to RMB290.3 million as of December 31, 2024, mainly due to the decreased proportion of loans bearing credit risk in China.

Accounts receivable and contract assets decreased by 12.1% to RMB2.4 billion (US\$338.8 million) as of December 31, 2025 from RMB2.7 billion as of December 31, 2024, mainly due to a decrease in the loan origination volume in 2025. Provision for credit loss allowance increased from RMB290.3 million as of December 31, 2024 to RMB340.8 million (US\$48.7 million) as of December 31, 2025, mainly due to the increased proportion of off-balance sheet loans in the overseas markets.

Deferred Guarantee Income

Deferred guarantee income was RMB1.5 billion as of December 31, 2024 compared to RMB1.9 billion as of December 31, 2023, primarily due to the decreased proportion of loans bearing credit risk in China, offset by an increase in the loan volume in the overseas markets.

Deferred guarantee income was RMB1.1 billion (US\$160.0 million) as of December 31, 2025 compared to RMB1.5 billion as of December 31, 2024, primarily due to the decreased proportion of loans bearing credit risk in China, offset by an increase in the off-balance sheet loan volume in the overseas markets.

Liability from Quality Assurance Commitment

Liability from quality assurance commitment decreased to RMB3.0 billion as of December 31, 2024 from RMB3.3 billion as of December 31, 2023, primarily due to the decreased proportion of loans bearing credit risk in China, offset by an increase in the loan volume in the overseas markets.

Liability from quality assurance commitment decreased to RMB2.6 billion (US\$368.2 million) as of December 31, 2025 from RMB3.0 billion as of December 31, 2024, primarily due to the decreased proportion of loans bearing credit risk in China, offset by an increase in the off-balance sheet loan volume in the overseas markets.

Funds Payable to Investors of Consolidated Trusts

Funds payable to investors of consolidated trusts increased to RMB796.1 million as of December 31, 2024 from RMB436.4 million as of December 31, 2023, primarily due to the increase in the loan origination volume of trust products in 2024.

Funds payable to investors of consolidated trusts decreased to RMB778.5 million (US\$111.3 million) as of December 31, 2025 from RMB796.1 million as of December 31, 2024, primarily due to the settlement of consolidated trust products in the fourth quarter of 2025.

Recent Accounting Pronouncements

See note 2 to the consolidated financial statements on page F-34 for details on recent accounting pronouncements and our adoption of certain accounting rules.

B. Liquidity and Capital Resources

Cash Flows and Working Capital

To date, we have financed our operations primarily through cash generated by operating activities. As of December 31, 2023, 2024 and 2025, we had RMB5.0 billion, RMB4.7 billion and RMB4.3 billion (US\$612.8 million), respectively, in cash and cash equivalents. Our cash and cash equivalents primarily consist of cash on hand.

In June 2025, we issued US\$150 million aggregate principal amount of 2.50% convertible senior notes due 2030, or the 2030 Notes. The 2030 Notes are senior, unsecured debt. The 2030 Notes will bear interest at a rate of 2.50% per year. The 2030 Notes will mature on July 1, 2030 unless repurchased, redeemed, or converted in accordance with their terms prior to such date. The holders of the 2030 Notes shall have the right, at such holder's option, to convert all or any portion of their 2030 Notes, at any time prior to the close of business on the third scheduled trading day immediately preceding the maturity date.

Upon conversion, we will pay or deliver, as the case may be, to such converting holders, cash, ADSs, or a combination of cash and ADSs, at our election. The initial conversion rate of the 2030 Notes is 80.8865 ADSs per US\$1,000 principal amount of such 2030 Notes, subject to adjustment upon the occurrence of certain events.

Holders of the 2030 Notes may require us to repurchase all or any portion of their 2030 Notes for cash on July 3, 2028, or in the event of certain fundamental changes, at a repurchase price equal to 100% of the principal amount of the 2030 Notes to be repurchased, plus accrued and unpaid interest, if any, to, but excluding, the repurchase date. In addition, we may redeem all but not part of the 2030 Notes in the event of certain changes in the tax laws. Satisfying the obligations of the 2030 Notes could adversely affect the amount or timing of any distributions to our shareholders. We may choose to satisfy, repurchase, or refinance the 2030 Notes through public or private equity or debt financings if we deem such financings available on favorable terms.

Based on the outstanding principal amount of the 2030 Notes, and the conversion rate as of the date of this annual report, the maximum number of ADSs that would be issued in connection with the outstanding convertible notes is approximately 12.9 million.

We believe that our current cash and cash equivalents and our anticipated cash flows from operations will be sufficient to meet our anticipated working capital requirements and capital expenditures for the next 12 months. We may, however, need additional capital in the future to fund our continued operations. If we determine that our cash requirements exceed the amount of cash and cash equivalents we have on hand at the time, we may seek to issue equity or debt securities or obtain credit facilities. The issuance and sale of additional equity would result in further dilution to our shareholders. The incurrence of indebtedness would result in increased fixed obligations and could result in operating covenants that might restrict our operations. We cannot assure you that financing will be available in amounts or on terms acceptable to us, if at all.

Although we consolidate the results of the consolidated variable interest entities and their subsidiaries, we only have access to the assets or earnings of the consolidated variable interest entities and their subsidiaries through our contractual arrangements with the consolidated variable interest entities and their shareholders. See “Item 4. Information on the Company—C. Organizational Structure.” For restrictions and limitations on liquidity and capital resources as a result of our corporate structure, see “—Holding Company Structure.” The majority 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 its 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 Related to Doing Business in China—Governmental control of currency conversion may limit our ability to utilize our net revenues effectively and affect the price of our ADSs.”

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

	2023	2024	2025	
	RMB	RMB	RMB	US\$
	(RMB in thousands)			
Summary Consolidated Cash Flows Data:				
Net cash provided by operating activities	1,360,872	2,893,160	1,867,600	267,064
Net cash provided by (used in) investing activities	1,411,992	(2,295,816)	(2,183,697)	(312,263)
Net cash used in financing activities	(2,505,002)	(622,715)	(194,696)	(27,841)
Net increase (decrease) in cash, cash equivalents and restricted cash	290,303	(22,318)	(549,101)	(78,520)
Cash, cash equivalents and restricted cash at beginning of year	6,479,087	6,769,390	6,747,072	964,818
Cash, cash equivalents and restricted cash at end of year	6,769,390	6,747,072	6,197,971	886,298

Operating Activities

Net cash provided by operating activities was RMB1.9 billion (US\$267.1 million) in 2025, decreased from RMB2.9 billion in 2024. In 2025, the difference between our net cash provided by operating activities and our net profit of RMB2.5 billion (US\$364.0 million) resulted mainly from a net gain from investment in loans of RMB1,336.5 million, a decrease in taxes payable of RMB527.5 million, a decrease in deferred guarantee income of RMB396.9 million and a decrease in liability from quality assurance commitment of RMB389.3 million, an increase in deferred tax assets of RMB478.2 million and an increase of deferred tax liabilities of RMB292.9 million, a provision for loans receivable of RMB637.7 million, a provision for quality assurance receivable of RMB455.5 million, and a provision for accounts receivable and contract assets of RMB426.0 million. The net gain from investment in loans was primarily due to the interest income from the loans originated in the overseas markets and the interest income from the loans held by consolidated trusts. The decrease in taxes payable was primarily due to the lower taxable income as more deduction for bad debt. The decrease in deferred guarantee income and the liability from quality assurance commitment primarily due to the decreased proportion of loans bearing credit risk in China, offset by an increase in the risk-bearing loan volume in the overseas markets. The increase in deferred tax assets was primarily due to the increase in the deferred revenue. The increase in deferred tax liabilities was primarily due to the increase in the unrealized gain in consolidated trusts and the withholding tax for undistributed earnings. The provision for loans receivable, quality assurance receivable, and accounts receivable and contract assets was primarily due to the recognition of the life time credit losses.

Net cash provided by operating activities was RMB2.9 billion in 2024, increased from RMB1.4 billion in 2023. In 2024, the difference between our net cash provided by operating activities and our net profit of RMB2.4 billion resulted mainly from a decrease from prepaid expenses and other assets of RMB1.7 billion, an increase in taxes payable of RMB499.1 million, a provision for quality assurance receivable of RMB378.7 million, a provision for loans receivable of RMB320.0 million, a provision for accounts receivable and contract assets of RMB317.0 million, an increase in deferred tax assets of RMB863.3 million, a net gain from investment in loans of RMB853.8 million, an increase in accounts receivable and contract assets of RMB514.4 million, and a decrease in deferred guarantee income of RMB366.1 million. The decrease from prepaid expenses and other assets was primarily due to a decrease in security deposit. The increase in taxes payable was primarily due to higher profit before tax. The provision for quality assurance receivable, loans receivable and accounts receivable and contract assets was primarily due to the recognition of the life time credit losses. The increase in deferred tax assets was primarily due to the increase in the deferred revenue. The net gain from investment in loans was primarily due to the interest income from the loans originated in the overseas markets and the interest income from the loans held by consolidated trusts. The increase in accounts receivable and contract assets was primarily due to the increase in the loan origination volume. The decrease in deferred guarantee income was primarily due to the decreased proportion of loans bearing credit risk in China.

Net cash provided by operating activities was RMB1.4 billion in 2023, increased from RMB236.9 million in 2022. In 2023, the difference between our net cash provided by operating activities and our net profit of RMB2.4 billion resulted mainly from a net gain from investment in loans of RMB1.0 billion, an increase in deferred tax assets of RMB705.0 million, an increase in quality assurance fund receivable of RMB440.1 million, a provision for loans receivable of RMB586.8 million, a provision for quality assurance receivable of RMB354.4 million, and a provision for accounts receivable and contract assets of RMB253.9 million. The gain from investment in loans was primarily due to the interest income from the loans originated in the overseas markets and the interest income from the loans held by consolidated trusts. The increase in deferred tax assets was primarily due to the increase in the deferred revenue. The increase in quality assurance receivable was primarily due to the increases in the loan origination volume. The provision for loans receivable was primarily due to the recognition of the life time credit losses. The provision for quality assurance receivable was primarily due to the recognition of the life time credit losses. The provision for accounts receivable and contract assets was primarily due to the recognition of the life time credit losses.

Investing Activities

Net cash used in investing activities was RMB2.2 billion (US\$312.3 million) in 2025, which was mainly attributable to cash paid for investment in loans originated and held by us in an amount of RMB18.4 billion (US\$2.6 billion), purchase of short-term investments (mainly time deposits and wealth management products) in an amount of RMB8.1 billion (US\$1.2 billion), partially offset by the proceeds from investment in loans originated and held by us in an amount of RMB16.8 billion (US\$2.4 billion) and proceeds from short-term investments in an amount of RMB7.9 billion (US\$1.1 billion) from maturity of time deposits and wealth management products.

Net cash used in investing activities was RMB2.3 billion in 2024, which was mainly attributable to cash paid for investment in loans originated and held by us in an amount of RMB9.4 billion, purchase of short-term investments (mainly time deposits and wealth management products) in an amount of RMB7.3 billion, proceeds from investment in loans originated and held by us in an amount of RMB6.9 billion and proceeds from short-term investments in an amount of RMB7.5 billion from maturity of time deposits and wealth management products.

Net cash provided by investing activities was RMB1.4 billion in 2023, which was mainly attributable to proceeds from short-term investments in an amount of RMB12.4 billion from maturity of time deposits and wealth management products, and proceeds from investment in loans originated and held by us in an amount of RMB7.3 billion, partially offset by purchase of short-term investments (mainly time deposits and wealth management products) in an amount of RMB11.9 billion and cash paid for investment in loans originated and held by us in an amount of RMB5.8 billion.

Financing Activities

Net cash used in financing activities was RMB194.7 million (US\$27.8 million) in 2025, which was mainly attributable to cash paid to our institutional funding partners that invested in our consolidated trusts in an amount of RMB1.6 billion (US\$228.2 million), repurchase of our ADSs in an amount of RMB767.0 million (US\$109.7 million), dividends payout in an amount of RMB510.2 million (US\$73.0 million), partially offset by cash received from our institutional funding partners that invested in our consolidated trusts in an amount of RMB1.5 billion (US\$220.4 million) and proceeds from convertible senior notes, net of issuance cost in an amount of RMB1.0 billion (US\$149.4 million).

Net cash used in financing activities was RMB622.7 million in 2024, which was mainly attributable to repurchase of our ADSs in an amount of RMB643.2 million, cash paid to our institutional funding partners that invested in our consolidated trusts in an amount of RMB439.6 million, dividends payout in an amount of RMB441.3 million, partially offset by cash received from our institutional funding partners that invested in our consolidated trusts in an amount of RMB780.0 million and net funds held for customers in an amount of RMB121.7 million.

Net cash used in financing activities was RMB2.5 billion in 2023, which was mainly attributable to cash paid to our institutional funding partners that invested in our consolidated trusts in an amount of RMB2.7 billion, repurchase of our ADSs in an amount of RMB694.5 million, and dividends payout in amount of RMB430.4 million, partially offset by cash received from our institutional funding partners that invested in our consolidated trusts in an amount of RMB1.3 billion.

Material Cash Requirements

Our material cash requirements as of December 31, 2025 and any subsequent interim period primarily include our capital expenditures and contractual obligations.

We made capital expenditures of RMB538.1 million, RMB27.8 million and RMB84.1 million (US\$12.0 million) in 2023, 2024 and 2025, respectively. In 2025, our capital expenditures were mainly used for purchases of property, equipment and software. We expect our capital expenditures for 2026 to be approximately RMB31.7 million (US\$4.5 million), primarily due to optimization of server units and IT infrastructure.

Our contractual obligations mainly represent leasing obligations relating to our leases of office premises. We lease our office premises under non-cancelable operating lease arrangements. We made payment of RMB24.1 million (US\$3.4 million) in 2025. We expect our non-cancelable payment for 2026 to be approximately RMB31.4 million (US\$4.5 million).

The following table sets forth our contractual obligations as of December 31, 2025:

	Total		Less than 1 year		1-3 years		3-5 years		More than 5 years	
	(RMB)	(US\$)	(RMB)	(US\$)	(RMB)	(US\$)	(RMB)	(US\$)	(RMB)	(US\$)
	(in thousands)									
Non-cancellable operating leases	49,848	7,092	31,416	4,470	16,983	2,416	1,449	206	-	-

We intend to fund our existing and future material cash requirements with our existing cash balance and other financing alternatives. We will continue to make cash commitments, including capital expenditures, to support the growth of our business.

As of December 31, 2025, we had capital commitments, primarily related to equity investments and business combinations, totaling RMB99 million.

Other than those discussed above and the obligations related to on-balance sheet loans (presented as “funds payable to investors of consolidated trusts”), “convertible senior notes” and “long-term borrowings” in the consolidated balance sheets and guarantees associated with the loans we facilitated, we did not have any significant capital or other commitments, or long-term obligations as of December 31, 2025.

Holding Company Structure

FinVolution Group is a holding company with no material operations of its own. We conduct our operations primarily through our subsidiaries, three consolidated variable interest entities and their subsidiaries in China. As a result, FinVolution Group’s ability to continue paying dividends depends upon dividends paid by our PRC subsidiaries. If our existing PRC subsidiaries or any newly formed ones incur debt on their own behalf in the future, the instruments governing their debt may restrict their ability to pay dividends to us. In addition, our wholly foreign-owned subsidiaries in China are permitted to pay dividends to us only out of their retained earnings, if any, as determined in accordance with PRC accounting standards and regulations. Under PRC law, each of our subsidiaries and consolidated variable interest entities 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 subsidiaries 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 the 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 are not able to pay dividends out of China until they generate accumulated profits and meet the requirements for statutory reserve funds. In 2020, Shanghai Guangjian, one of our PRC subsidiaries, paid dividends of RMB79.5 million out of China.

C. Research and Development, Patents, and Licenses, etc.

See “Item 4. Information On the Company—B. Business Overview—Technology” and “Item 4. Information On the Company—B. Business Overview—Intellectual Property.”

D. Trend Information

Other than as disclosed in this annual report, we are not aware of any trends, uncertainties, demands, commitments or events for the current fiscal year that are reasonably likely to have a material effect on our net revenues, income, profitability, liquidity or capital reserves, or that caused the disclosed financial information to be not necessarily indicative of future operating results or financial conditions.

E. Critical Accounting Estimates

We prepare our consolidated financial statements in accordance with U.S. GAAP, which requires us to make judgments, estimates and assumptions that affect (i) the reported amounts of assets and liabilities, (ii) disclosure of contingent assets and liabilities at the end of each reporting period and (iii) the reported amounts of revenues and expenses during each reporting period. We continually evaluate these estimates and assumptions based on historical experience, knowledge and assessment of current business and other conditions, expectations regarding the future based on available information and reasonable assumptions, which together form a basis for making judgments about matters not readily apparent from other sources. The use of estimates is an integral component of the financial reporting process, though actual results could differ from those estimates. Some of our accounting policies require higher degrees of judgment than others in their application. We consider the policies discussed below to be critical to an understanding of our financial statements as their application places the most significant demands on the judgment of our management. For a detailed discussion of our significant accounting policies and related judgments, please see “Note 2—Summary of Significant Accounting Policies.” You should read the following description of critical accounting estimates in conjunction with our consolidated financial statements and other disclosures included in this annual report.

Revenue Recognition

Nature of estimate: We operate an online consumer finance platform that matches borrowers with institutional funding partners. Typically, we provided quality assurance service, loan facilitation services and post-facilitation services to the borrowers and institutional funding partners. The quality assurance service is within the scope of the Accounting Standards Codification Topic 460 Guarantees and recorded at fair value at the inception of the loans. For loan facilitation services and post-facilitation services we provide, we charged one combined transaction service fee, each of which we have assessed and concluded that they were distinct performance obligations.

Assumptions: The combined transaction price was allocated to loan facilitation and post-facilitation services based on their standalone selling price. We did not have an observable standalone selling price for the loan facilitation or post-facilitation services because we did not provide such services on a standalone basis in similar circumstances to similar customers, and because there was no directly observable standalone selling price that was reasonably available for similar services in the market. As a result, we used an expected “cost plus margin” approach to estimate the standalone selling prices. As part of the expected “cost plus margin” model, we made certain assumptions including estimates of the cost of providing the services, plus a reasonable profit margin. When our estimates of the standalone selling prices for loan facilitation service as a percentage of total consideration increased/decreased by 100 basis points while holding all other estimates constant, our loan facilitation service revenue would increase/decrease by approximately RMB23 million. Our estimate of the key assumptions related to revenue recognition did not change significantly throughout the periods presented.

Allowance for Credit Losses

We have the following types of financial assets and liabilities that are subject to credit losses of borrowers: accounts receivable and contract assets, quality assurance receivable, loans receivable and liability from quality assurance commitment.

Nature of estimate: Measurement of credit losses on financial instruments, which requires us to record the full amount of expected credit losses for the life of a financial asset at the time it is originated or acquired and adjusted for changes in expected lifetime credit losses subsequently, which requires earlier recognition of credit losses.

Assumptions: The credit losses related to these financial assets and liabilities are estimated mainly based on historical default experience, known or inherit risks in the portfolio, current economic conditions, and macroeconomic forecasts as well as other factors surrounding the credit risk of borrowers. The estimate of expected credit losses is sensitive to our assumptions in these factors. When change in one of our estimates or a combined effect of changes of multiple estimates, which results in a 100 basis points increase/decrease in our default rate while holding all other estimates constant, there would be approximately RMB1,407 million pre-tax impact to our consolidated results of operations. Our estimate of the key assumptions related to credit losses did not change significantly throughout the periods presented.

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.

<u>Directors and Executive Officers</u>	<u>Age</u>	<u>Position/Title</u>
Shaofeng Gu	47	Chairman of the Board and Chief Innovation Officer
Tiezheng Li	41	Vice Chairman of the Board and Chief Executive Officer
Jun Zhang	48	Director
Honghui Hu	48	Director
Simon Tak Leung Ho	52	Independent Director
Jimmy Y. Lai	69	Independent Director
Bing Xiang	63	Independent Director
Pingping Chen	42	President and Chief Compliance Officer
Jiayuan Xu	45	Chief Financial Officer
Yuxiang Wang	46	Chief Operating Officer and Chief Technology Officer

Mr. Shaofeng Gu is one of our four co-founders and has been serving as our director since April 2009, chief innovation officer since March 2019 and chairman of our board of directors since March 2020. Mr. Gu served as our strategy adviser from December 2016 to March 2019, chief strategy officer from August 2014 to December 2016, chief technology officer from January 2011 to August 2014 and chief executive officer from 2007 to 2011. Prior to founding our company, Mr. Gu was the founder and the chief executive officer of Shanghai Jufei Internet Technology Co., Ltd. (Podlook), a startup running podcast aggregation business, from 2005 to 2007. Prior to founding Podlook, Mr. Gu served as a technical lead of Microsoft Corporation from 2000 to 2005. Mr. Gu received his bachelor's degree in communication science and engineering from Shanghai Jiaotong University in China.

Mr. Tiezheng Li is one of our four co-founders and has been serving as our chief executive officer since March 2023, vice chairman of the board since September 2018, and director since March 2015. Mr. Li also served as our president from May 2020 to March 2024, our chief strategy officer from July 2017 to April 2020, our chief operating officer from April 2015 to July 2017 and our chief risk officer from January 2011 to April 2015. Prior to founding our company, Mr. Li served as a risk manager at China Minsheng Banking Corporation Limited from 2006 to 2011. Mr. Li received his bachelor's degree in civil engineering from Shanghai Jiaotong University in China and FMBA degree from China Europe International Business School in China.

Mr. Jun Zhang is one of our four co-founders and has been serving as our director since September 2011 and our adviser since March 2020. Mr. Zhang was our chairman of our board of directors from December 2016 to March 2020, co-chief executive officer from September 2018 to March 2020 and chief executive officer from January 2011 to September 2018. Mr. Zhang served as the operation manager at Wicresoft, a provider of "Internet +" transition service jointly founded by Microsoft Corporation and Shanghai Alliance Investment Limited, from October 2008 to July 2010. Prior to that, Mr. Zhang served as a technical lead of Microsoft Global Technical Engineering Center since 2001. Prior to that, Mr. Zhang worked at Shanghai Online E-Biz Co., Ltd. as a coder and programmer from 2000 to 2001. Mr. Zhang received his bachelor's degree in communication science and engineering and master's degree in industrial engineering from Shanghai Jiaotong University in China.

Mr. Honghui Hu is one of our four co-founders and has been serving as our director since September 2011. Mr. Hu served as our president from January 2011 to May 2020. Prior to founding our company, Mr. Hu worked in the legal industry as a lawyer and a senior partner at several PRC law firms from 2001 to 2009. From 2000 to 2001, Mr. Hu served as a loan officer in Shanghai Branch of Industrial and Commercial Bank of China Limited. Mr. Hu received his bachelor's degree in economics from Shanghai Jiaotong University in China and master's degree in economics from Fudan University in China.

Mr. Simon Tak Leung Ho has been serving as our director since November 2020 and transitioned to an independent director in March 2025. Mr. Ho currently serves as the group chief financial officer of PT GoTo Gojek Tokopedia Tbk in Indonesia. Prior to this, Mr. Ho served as the group chief financial officer of Maya Philippines from April 2023 to July 2024. Mr. Ho served as our chief financial officer from September 2016 to November 2020. Prior to joining us, Mr. Ho served various positions at Citigroup Global Markets Asia Limited from 2008 to 2016 including managing director and head of Asian financials research. Mr. Ho received his bachelor's degree in engineering from Northwestern University, Illinois. Mr. Ho is also a Chartered Financial Analyst.

Mr. Jimmy Y. Lai has been serving as our independent director since November 2017. Mr. Lai also serves as an independent director of several other NYSE-listed companies, including Zepp Corporation (NYSE: ZEPP), Youdao (NYSE:DAO) and China Online Education (NYSE: COE). Mr. Lai served as the chief financial officer of China Online Education Group, a leading online education platform in China listed on the NYSE, from June 2015 to December 2018. Prior to joining China Online Education Group in 2015, Mr. Lai served as the chief financial officer for several companies, including Chukong Technologies Corp., a leading mobile entertainment platform company in China, from 2013 to 2015, Gamewave Corporation, a leading webgame company in China, from 2011 to 2013, Daqo New Energy Corp., an NYSE-listed company and a leading polysilicon manufacturer based in China, from 2009 to 2011, Linktone Ltd., a Nasdaq-listed company and a leading provider of wireless interactive entertainment services to consumers in China, from 2008 to 2009 and Palm Commerce Holdings, a leading information technology solution provider for the China lottery industry, from 2006 to 2008. Prior to that, Mr. Lai served as an associate vice president of investor relations at Semiconductor Manufacturing International Corporation, a company listed on the NYSE and the Main Board of the Hong Kong Stock Exchange, from 2002 to 2006, and as a controller and director of financial planning at AMX Corporation from 1997 to 2001. Mr. Lai received his MBA from the University of Texas at Dallas and his bachelor's degree in statistics from the National Cheng Kung University in Taiwan. Mr. Lai is a certified public accountant licensed in the State of Texas.

Mr. Bing Xiang has been serving as our independent director since November 2017. Mr. Xiang currently serves as an independent director of multiple public companies listed on the Hong Kong Stock Exchange, including Sinolink Worldwide Holdings Limited and Longfor Properties Co. Ltd. Mr. Xiang is the founding dean of the Cheung Kong Graduate School of Business and has been a professor there since 2002. Prior to that, Mr. Xiang was a professor, a PhD adviser and the director of EMBA at Guanghua School of Management, Peking University, from 1999 to 2001. He has also taught at Chinese University of Hong Kong, China Europe International Business School, Hong Kong University of Science and Technology and the University of Calgary. Mr. Xiang received his bachelor's degree in mechanical engineering from Xi'an Jiaotong University and a PhD degree in finance and accounting from the University of Alberta.

Ms. Pingping Chen has been serving as our president and chief compliance officer since March 2024, maintaining her existing responsibilities across legal, compliance, human resources, and internal controls, which she has held since 2019. Ms. Chen was the chief executive officer of Pai Pai Xin, from 2016 to 2018. Prior to that, she held the position of vice president of our company, overseeing the legal, compliance, government relations, and innovation departments from 2013 to 2016. Ms. Chen received her master's degree in law from Fudan University and her EMBA from the China Europe International Business School.

Mr. Jiayuan Xu has been serving as our chief financial officer since December 2020. Prior to serving as our chief financial officer, Mr. Xu served various positions at our company from June 2015 to November 2020, including our senior vice president for finance, head of financial institutions department and our financial controller. Prior to joining us, Mr. Xu served as the head of financial management department of Nanyang Commercial Bank (China) Co., Ltd. from 2008 to 2015. Mr. Xu was an audit manager at PricewaterhouseCoopers Zhong Tian LLP from 2003 to 2008. Mr. Xu received his bachelor's degree in international trade and finance from Shanghai Jiaotong University and FMBA degree from China Europe International Business School. Mr. Xu is also a member of Chinese Institute of Certified Public Accountants.

Mr. Yuxiang Wang has been serving as our chief operating officer since March 2023 and our chief technology officer since October 2019. Mr. Wang served as our chief product officer from June 2015 to March 2023. Prior to joining us, Mr. Wang served as the vice president of product at Opera Software ASA, a Norwegian software company, from 2013 to 2015. Mr. Wang worked at Baidu.com as a product head of Baidu mobile browser from 2012 to 2013. Mr. Wang served as the product director at TeleNav, a company providing location-based services including navigation, from 2009 to 2012. Prior to that, Mr. Wang served as a senior product manager at MiTAC Research (Shanghai) Ltd., an electronics company, from 2002 to 2009. Mr. Wang received his bachelor's degree in communication engineering from Jiangsu University, his master's degree in software engineering from Fudan University and his EMBA degree from China Europe International Business School.

B. Compensation

For the fiscal year ended December 31, 2025, we paid an aggregate of approximately RMB27.0 million (US\$3.9 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 the consolidated variable interest entities are required by law to make contributions equal to certain percentages of each employee's salary for his or her pension insurance, medical insurance, unemployment insurance and other statutory benefits and a housing provident fund.

Employment Agreements and Indemnification Agreements

We have entered into employment agreements with each of our executive officers. Under these agreements, each of our executive officers is employed for a specified time period. We may terminate employment for cause, at any time, without advance notice or remuneration, for certain acts of the executive officer, such as conviction or plea of guilty to a felony or any crime involving moral turpitude, negligent or dishonest acts to our detriment, or misconduct or a failure to perform agreed duties. We may also terminate an executive officer's employment without cause upon three-month advance written notice. In such case of termination by us, we will provide severance payments to the executive officer as expressly required by applicable law of the jurisdiction where the executive officer is based. The executive officer may resign at any time with a three-month advance written notice.

Each executive officer has agreed to hold, both during and after the termination or expiry of his or her employment agreement, in strict confidence and not to use, except as required in the performance of his or her duties in connection with the employment or pursuant to applicable law, any of our confidential information or trade secrets, any confidential information or trade secrets of our clients or prospective clients, or the confidential or proprietary information of any third party received by us and for which we have confidential obligations. The executive officers have also agreed to disclose in confidence to us all inventions, designs and trade secrets which they conceive, develop or reduce to practice during the executive officer's employment with us and to assign all right, title and interest in them to us, and assist us in obtaining and enforcing patents, copyrights and other legal rights for these inventions, designs and trade secrets.

In addition, each executive officer has agreed to be bound by non-competition and non-solicitation restrictions during the term of his or her employment and typically for one year following the last date of employment. Specifically, each executive officer has agreed not to (i) approach our suppliers, clients, customers or contacts or other persons or entities introduced to the executive officer in his or her capacity as a representative of us for the purpose of doing business with such persons or entities that will harm our business relationships with these persons or entities; (ii) assume employment with or provide services to any of our competitors, or engage, whether as principal, partner, licensor or otherwise, any of our competitors, without our express consent; or (iii) seek directly or indirectly, to solicit the services of any of our employees who is employed by us on or after the date of the executive officer's termination, or in the year preceding such termination, without our express consent.

We have entered into indemnification agreements with each of our directors and executive officers. Under these agreements, we may agree to indemnify our directors and executive officers against certain liabilities and expenses incurred by such persons in connection with claims made by reason of their being a director or officer of our company.

Share Incentive Plan

In October 2017, we adopted our 2017 Share Incentive Plan, or the 2017 Plan, which allows us to offer a variety of share-based incentive awards to employees, officers, directors and individual consultants who render services to us. The plan permits the grant of three types of awards: options, restricted shares and restricted share units. The maximum number of our shares that may be issued pursuant to all awards under the 2017 Plan is 1,000,000,000 ordinary shares after giving effect to the 100-for-1 share split we effected in October 2017. As of March 31, 2026, options to purchase a total of 3,858,450 Class A ordinary shares were outstanding under the 2017 Plan, and restricted share units to receive a total of 65,672,795 Class A ordinary shares were outstanding under the 2017 Plan.

The following paragraphs summarize the terms of the 2017 Plan:

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

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

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

Vesting schedule. In general, the plan administrator determines the vesting schedule, which is specified in the 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 options. The term of each option grant shall be stated in the award agreement, *provided* that the term may not exceed ten years from the date of the grant.

Transfer restrictions. Subject to certain exceptions, awards may not be transferred by the recipient, except as otherwise provided by applicable laws or the award agreement.

Termination of the plan. Unless terminated earlier, the plan will terminate automatically in 2027. Our board of directors has the authority to amend or terminate the plan subject to shareholder approval to the extent necessary to comply with applicable law. However, no such action may impair the rights of any award recipient unless agreed by the recipient.

The following table summarizes, as of March 31, 2026, the number of Class A ordinary shares underlying the options that we granted (excluding those that were canceled, forfeited, or expired) to our directors and executive officers under the 2017 Plan.

Name**	Class A Ordinary Shares Underlying Options Awarded	Exercise Price (US\$/Share)	Date of Grant	Date of Expiration
Tiezheng Li	700,000	1.400	February 1, 2018	January 31, 2028
Tiezheng Li	2,572,300*	0.794	April 10, 2023	April 9, 2028

Notes:

* Does not include options, the vesting of which are subject to the fulfillment of certain performance target.

** Options granted to all other grantees expired on April 5, 2025.

The following table summarizes, as of March 31, 2026, the number of Class A ordinary shares underlying the restricted share units that we granted (excluding those that were canceled, forfeited, or expired) to our directors, executive officers, and other grantees under the 2017 Plan.

Name	Class A Ordinary Shares Underlying Restricted Share Units Awarded	Date of Grant	Date of Expiration
Tiezheng Li	1,626,485*	June 1, 2022	May 31, 2027
	45,120*	January 23, 2023	January 22, 2028
	380,000*	April 3, 2024	April 2, 2029
Bing Xiang	(1)	April 8, 2025	April 7, 2030
	75,000	May 24, 2021	May 23, 2026
	75,000	May 24, 2025	May 23, 2030
Jimmy Y. Lai	75,000	May 24, 2021	May 23, 2026
	75,000	May 24, 2025	May 23, 2030
Simon Tak Leung Ho	50,000	May 24, 2025	May 23, 2030
Jiayuan Xu	1,483,550*	April 10, 2023	April 9, 2028
	214,180*	April 3, 2024	April 2, 2029
	(1)	April 8, 2025	April 7, 2030
Yuxiang Wang	1,941,440*	April 10, 2023	April 9, 2028
	2,012,235*	April 3, 2024	April 2, 2034
Pingping Chen	1,932,280*	April 10, 2023	April 9, 2028
	94,970*	February 5, 2024	February 4, 2029
	1,291,500*	April 3, 2024	April 2, 2034
Other grantees as a Group	66,656,440	From April 6, 2021 to March 30 2026	From April 5, 2026 to March 29 2031

Notes:

* Does not include restricted shares units, the vesting of which are subject to the fulfillment of certain performance target.

(1) Less than 1% of our total outstanding shares. The vesting of such restricted share units are subject to the fulfillment of certain performance target.

C. Board Practices

Our board of directors consists of seven directors. A director is not required to hold any shares in our company to qualify to serve as a director. A director may vote with respect to any contract, proposed contract or arrangement notwithstanding that he may be interested therein, and if he does so his vote shall be counted and he may be counted in the quorum at any meeting of our directors at which any such contract or proposed contract or arrangement is considered, provided (a) such director, if his interest (whether direct or indirect) in such contract or arrangement is material, has declared the nature of his interest at the earliest meeting of the board at which it is practicable for him to do so, either specifically or by way of a general notice and (b) if such contract or arrangement is a transaction with a related party, such transaction has been approved by the audit committee. The directors may exercise all the powers of the company to borrow money, 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 Jimmy Y. Lai and Bing Xiang. Jimmy Y. Lai is the chairman of our audit committee. We have determined that both Jimmy Y. Lai and Bing Xiang satisfy the "independence" requirements of Section 303A of the Corporate Governance Rules of the New York Stock Exchange and Rule 10A-3 under the Securities Exchange Act of 1934. In addition, we have determined that Jimmy Y. Lai qualifies as an "audit committee financial expert." The audit committee oversees our accounting and financial reporting processes and the audits of the financial statements of our company. The audit committee is responsible for, among other things:

- appointing the independent auditors and pre-approving all auditing and non-auditing services permitted to be performed by the independent auditors;
- reviewing with the independent auditors any audit problems or difficulties and management's response;
- discussing the annual audited financial statements with management and the independent auditors;
- reviewing the adequacy and effectiveness of our accounting and internal control policies and procedures and any steps taken to monitor and control major financial risk exposures;
- reviewing and approving all proposed related party transactions;
- meeting separately and periodically with management and the independent auditors; and
- monitoring compliance with our code of business conduct and ethics, including reviewing the adequacy and effectiveness of our procedures to ensure proper compliance.

Compensation Committee. Our compensation committee consists of Jimmy Y. Lai and Bing Xiang. Jimmy Y. Lai is the chairman of our compensation committee. We have determined that Jimmy Y. Lai and Bing Xiang satisfy the "independence" requirements of Section 303A of the Corporate Governance Rules of the New York Stock Exchange. 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 Jimmy Y. Lai and Bing Xiang. Jimmy Y. Lai is the chairperson of our nominating and corporate governance committee. We have determined that Jimmy Y. Lai and Bing Xiang satisfy the “independence” requirements of Section 303A of the Corporate Governance Rules of the New York Stock Exchange. 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 nominees for election by the shareholders or appointment by the board;
- reviewing annually with the board the current composition of the board with regards to characteristics such as independence, knowledge, skills, experience and diversity;
- making recommendations on the frequency and structure of board meetings and monitoring the functioning of the committees of the board; and
- advising the board periodically with regards to significant developments in the law and practice of corporate governance as well as our compliance with applicable laws and regulations, and making recommendations to the board on all matters of corporate governance and on any remedial action to be taken.

Duties of Directors

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

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

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

Terms of Directors and Officers

Our directors may be appointed by a resolution of our board of directors, or by a special resolution of our shareholders. Our directors are not subject to a term of office (unless this is expressly set out in the director’s appointment) and hold office until such time as they are removed from office by special resolution of the shareholders. A director will cease to be a director if, among other things, the director (i) becomes bankrupt or makes any arrangement or composition with his creditors, (ii) dies or is found by our company to be or becomes of unsound mind, (iii) resigns his office by notice in writing to the company, (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, or (v) is removed from office pursuant to our currently effective articles of association. Our officers are appointed by and serve at the discretion of the board of directors.

D. Employees

We had 3,648 employees as of December 31, 2023, 3,623 employees as of December 31, 2024, and 3,869 employees as of December 31, 2025.

As of December 31, 2025, 1,623 of our employees were located in Shanghai while the remaining employees were located in other regions in China or other countries. The following table sets forth the numbers of our employees categorized by function as of December 31, 2025.

Functions:	As of December 31, 2025	
	Number of employees	% of total
Operations	935	24.2%
Risk Management	1,291	33.4%
Research and Development	743	19.2%
Sales and Marketing	524	13.5%
General and Administration	376	9.7%
Total number of employees	3,869	100.0%

As required by laws and regulations in China, we participate in various employee social security plans that are organized by municipal and provincial governments, including, among other things, housing, pension, medical insurance and unemployment insurance. We are required under PRC law to make contributions to employee benefit plans at specified percentages of the salaries, bonuses and certain allowances of our employees, up to a maximum amount specified by the local government from time to time.

We typically enter into standard employment, confidentiality and non-compete agreements with our senior management and core personnel. These contracts include a standard non-compete covenant that prohibits the employee from competing with us, directly or indirectly, during his or her employment and for two years after the termination of his or her employment, *provided* that we pay compensation equal to 30% of the employee's salary during the restriction period.

We believe that we maintain a good working relationship with our employees and labor unions, and we have not experienced any material 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, 2026 by:

- each of our directors and executive officers; and
- each of our principal shareholders who beneficially own more than 5% of our total outstanding ordinary shares.

We have adopted a dual class ordinary share structure. The calculations in the table below are based on 1,180,470,009 outstanding ordinary shares (consisting of 613,770,009 Class A ordinary shares and 566,700,000 Class B ordinary shares) as of March 31, 2026.

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 and voting power percentage of that person, we have included shares and associated votes 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 and associated votes, however, are not included in the computation of the percentage ownership of any other person.

Ordinary Shares Beneficially Owned as of March 31, 2026

	Class A ordinary shares	Class B ordinary shares	Percentage of total ordinary shares [†]	Percentage of aggregate voting power ^{††}
Directors and Executive Officers**:				
Shaofeng Gu ⁽¹⁾	34,949,940	394,818,900	36.4%	66.4%
Tiezheng Li ⁽²⁾	15,439,975	27,987,900	3.7%	4.8%
Jun Zhang ⁽³⁾	20,669,945	65,209,800	7.3%	11.1%
Honghui Hu ⁽⁴⁾	—	52,383,400	4.4%	8.8%
Simon Tak Leung Ho ⁽⁵⁾	12,500	—	*	*
Jimmy Y. Lai ⁽⁶⁾	93,750	—	*	*
Bing Xiang ⁽⁷⁾	93,750	—	*	*
Pingping Chen ⁽⁸⁾	7,796,855	—	0.7%	0.1%
Jiayuan Xu ⁽⁹⁾	4,840,035	—	0.4%	*
Yuxiang Wang ⁽¹⁰⁾	13,425,135	—	1.1%	0.1%
All directors and executive officers as a group	97,321,885	540,400,000	53.6%	91.2%
Principal Shareholders:				
PPD Investment Limited ⁽¹⁾	34,949,940	394,818,900	36.4%	66.4%
Metallica Holding Limited ⁽³⁾	20,669,945	65,209,800	7.3%	11.1%
Susquehanna Entities ⁽¹¹⁾	82,661,230	—	7.0%	0.7%

* Less than 0.1% of our total outstanding shares.

† 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, 2026.

†† For each person and group included in this column, percentage of voting power is calculated by dividing the voting power beneficially owned by such person or group by the voting power of all of our Class A and Class B ordinary shares as a single class. Each holder of Class A ordinary shares is entitled to one vote per share and each holder of our Class B ordinary shares is entitled to twenty votes per share on all matters submitted to them for vote. Our Class B ordinary shares are convertible at any time by the holder thereof into Class A ordinary shares on a one-for-one basis.

- (1) Represents (i) 394,818,900 Class B ordinary shares directly held by PPD Investment Limited, a company incorporated in the British Virgin Islands, and (ii) 34,949,940 Class A ordinary shares directly held by PPD Investment Limited. To our knowledge, PPD Investment Limited is beneficially owned by Mr. Shaofeng Gu through a trust, of which Mr. Shaofeng Gu is the settlor and Mr. Shaofeng Gu and his family members are the beneficiaries. Mr. Shaofeng Gu is the sole director of PPD Investment Limited. The registered office address of PPD Investment Limited is Geneva Place, Waterfront Drive, P.O. Box 3469, Road Town, Tortola, British Virgin Islands.
- (2) Represents (i) 27,987,900 Class B ordinary shares directly held by Happyariel Holding Limited, a company incorporated in the British Virgin Islands, (ii) 7,719,350 Class A ordinary shares, directly held by Happyariel Holding Limited, (iii) 3,968,430 Class A ordinary shares, directly held by Mr. Tiezheng Li, and (iv) 3,752,195 Class A ordinary shares that Mr. Tiezheng Li may purchase upon exercise of share-based awards within 60 days after March 31, 2026. To our knowledge, Happyariel Holding Limited is beneficially owned by Mr. Tiezheng Li through a trust, of which Mr. Tiezheng Li is the settlor and Mr. Tiezheng Li and his family members are the beneficiaries. Mr. Tiezheng Li is the sole director of Happyariel Holding Limited. The registered office address of Happyariel Holding Limited is Geneva Place, Waterfront Drive, P.O. Box 3469, Road Town, Tortola, British Virgin Islands.
- (3) Represents (i) 65,209,800 Class B ordinary shares directly held by Metallica Holding Limited, a company incorporated in the British Virgin Islands, and (ii) 20,669,945 Class A ordinary shares, directly held by Metallica Holding Limited. To our knowledge, Metallica Holding Limited is beneficially owned by Mr. Jun Zhang through a trust, of which Mr. Jun Zhang is the settlor and Mr. Jun Zhang and his family members are the beneficiaries. Mr. Jun Zhang is the sole director of Metallica Holding Limited. The registered office address of Metallica Holding Limited is Geneva Place, Waterfront Drive, P.O. Box 3469, Road Town, Tortola, British Virgin Islands.
- (4) Represents 52,383,400 Class B ordinary shares directly held by Emma & Oliver Holding Limited, a company incorporated in the British Virgin Islands. Mr. Honghui Hu is the sole shareholder and the sole director of Emma & Oliver Holding Limited. The registered office address of Emma & Oliver Holding Limited is Geneva Place, Waterfront Drive, P.O. Box 3469, Road Town, Tortola, British Virgin Islands.
- (5) Represents 12,500 Class A ordinary shares that Mr. Simon Tak Leung Ho may purchase upon exercise of share-based awards within 60 days after March 31, 2026.
- (6) Represents (i) 75,000 Class A ordinary shares directly held by Mr. Jimmy Y. Lai, and (ii) 18,750 Class A ordinary shares that Mr. Jimmy Y. Lai may purchase upon exercise of share-based awards within 60 days after March 31, 2026.
- (7) Represents (i) 75,000 Class A ordinary shares directly held by Mr. Bing Xiang, and (ii) 18,750 Class A ordinary shares that Mr. Bing Xiang may purchase upon exercise of share-based awards within 60 days after March 31, 2026.
- (8) Represents (i) 5,539,215 Class A ordinary shares directly held by Ms. Pingping Chen, and (ii) 2,257,640 Class A ordinary shares that Ms. Pingping Chen may purchase upon exercise of share-based awards within 60 days after March 31, 2026.
- (9) Represents (i) 3,356,420 Class A ordinary shares, directly held by Mr. Jiayuan Xu, (ii) 388,420 Class A ordinary shares, directly held by Hulu Holding Limited, and (iii) 1,095,195 Class A ordinary shares that Mr. Jiayuan Xu may purchase upon exercise of share-based awards within 60 days after March 31, 2026. Hulu Holding Limited is a company incorporated in the British Virgin Islands. The registered office address of Hulu Holding Limited is Omar Hodge Building, 4th Floor, Unit 3a, 325 Waterfront Drive, Road Town, Tortola VG1110, British Virgin Islands.

(10) Represents (i) 5,440,890 Class A ordinary shares, directly held by Mr. Yuxiang Wang, (ii) 5,001,290 Class A ordinary shares, directly held by Mobilescope Holding Limited, and (iii) 2,982,955 Class A ordinary shares that Mr. Yuxiang Wang may purchase upon exercise of share-based awards within 60 days after March 31, 2026. Mobilescope Holding Limited is a company incorporated in the British Virgin Islands. The registered office address of Mobilescope Holding Limited is Omar Hodge Building, 4th Floor, Unit 3a, 325 Waterfront Drive, Road Town, Tortola VG1110, British Virgin Islands.

(11) Represents (i) 38,884 ADSs, representing 194,420 Class A ordinary shares beneficially owned by Susquehanna Fundamental Investments, LLC, a company incorporated in Delaware, and (ii) 16,493,362 ADSs, representing 82,454,310 Class A ordinary shares beneficially owned by Susquehanna Securities, LLC, as reported in a Schedule 13G/A filed by Susquehanna Fundamental Investments, LLC and Susquehanna Securities, LLC on February 13, 2025. Susquehanna Fundamental Investments, LLC and Susquehanna Securities, LLC are collectively referred to as Susquehanna Entities. Susquehanna Securities, LLC, an independent broker-dealer, and Susquehanna Fundamental Investments, LLC may be deemed a group. The address of the principal business office of each of Susquehanna Entities is 401 E. City Avenue, Suite 220, Bala Cynwyd, PA 19004.

As of March 31, 2026, 597,983,380 of our outstanding ordinary shares in the form of ADSs were held by one record holder in the United States, which was Citibank, N.A., the depository of our ADS program. Other than the foregoing, as of March 31, 2026, none of our outstanding Class A or Class B ordinary shares were held by record holders in the United States. We are not aware of any arrangement that may, at a subsequent date, result in a change of control of our company.

F. Disclosure of a Registrant's Action to Recover Erroneously Awarded Compensation

Not applicable.

ITEM 7. MAJOR SHAREHOLDERS AND RELATED PARTY TRANSACTIONS

A. Major Shareholders

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

B. Related Party Transactions

Contractual Arrangements

PRC laws and regulations currently restrict foreign ownership and investment in value-added telecommunications services in China. As a result, we operate certain business through Beijing Paipairongxin, Shanghai Zihe, and Shanghai Ledao, the consolidated variable interest entities, and their subsidiaries based on series of contractual arrangements. For a description of these contractual arrangements, see “Item 4. Information on the Company—C. Organizational Structure.”

Employment Agreements and Indemnification Agreements

See “Item 6. Directors, Senior Management and Employees—B. Compensation—Employment Agreements and Indemnification Agreements.”

Share Incentive Plans

See “Item 6. Directors, Senior Management and Employees—B. Compensation—Share Incentive Plans.”

Transactions with PPcredit

We use data collection services from PPcredit, a company controlled by our founders, based on arm's length transaction terms and conditions. As of December 31, 2023, 2024 and 2025, the amount due to PPcredit was RMB10.0 thousand, RMB6.0 thousand and nil, respectively. As of December 31, 2023, 2024 and 2025, the amount due from PPcredit was RMB3.9 million, RMB444 thousand and nil, respectively.

Transactions with Gouya

Shanghai Gouya Technology Co., Ltd., which we refer to as Gouya, was founded in November 2020 by our founders to provide smart vending machine services. In August 2023, we disposed of 70% of the equity interest in Gouya, and Gouya became a related party of our company since then. As of December 31, 2023, 2024 and 2025, the amount due to Gouya was RMB124 thousand, RMB124 thousand and RMB124 thousand, respectively.

Transactions with Halodo Limited

Halodo Limited, which we refer to as Halodo, was founded in 2019 as a holding company within our group. In September 2024, we disposed of our equity interest in Halodo but still hold significant influence over its management and operating policies. As a result, Halodo became a related party of our company since then. As of December 31, 2024, the amount due to and due from Halodo was RMB13.2 million and 16.8 million, respectively. As of December 31, 2025, the amount due to and due from Halodo was RMB12.9 million and RMB16.4 million, respectively.

Transactions with Fuzhou Rongheng

Fuzhou Rongheng Information Technology Co., Ltd., which we refer to as Fuzhou Rongheng, was founded in July 2023 to provide mediation services. In January 2024, we purchased a 40% equity interest in Fuzhou Rongheng, and Fuzhou Rongheng has been a related party of our company since then. As of December 31, 2024 and 2025, the amount due from Fuzhou Rongheng was RMB508 thousand and nil, respectively.

Transactions with Smart Frontier (Shanghai) Technology

Smart Frontier (Shanghai) Technology Co., Ltd., which we refer to as Smart Frontier, was an investee of our group. The subsidiaries of Smart Frontier provide operation and support services to our group. In 2025, we incurred RMB29.9 million cost for such services. As of December 31, 2025, the amount due to and due from Smart Frontier was RMB5.7 million and RMB20.3 million, respectively.

C. Interests of Experts and Counsel

Not applicable.

ITEM 8. FINANCIAL INFORMATION

A. Consolidated Statements and Other Financial Information

Consolidated Financial Statements

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 arising in the ordinary course of business. Litigation or any other legal or administrative proceeding, regardless of the outcome, is likely to result in substantial cost and diversion of our resources, including our management's time and attention.

Dividend Policy

Our board of directors declared dividends in every March from 2019 to 2026. In addition, in March 2025, our board of directors approved a revised annual cash dividend policy, under which we will declare and distribute a recurring cash dividend of between 20% and 30% of the Company's net income after tax from the previous fiscal year going forward. Our board of directors has discretion on whether to distribute dividends, subject to certain restrictions under Cayman Islands law, namely that our company may only pay dividends out of profits or share premium account, 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. Although we have an annual cash dividend policy, the form, frequency and amount of dividends 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.

Our board of directors approved a cash dividend of US\$0.306 per ADS in March 2026. The dividend is expected to be distributed on or around May 7, 2026 to shareholders of record as of the close of business on April 16, 2026.

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—Regulations in the PRC—Regulations Relating to 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. Offer and Listing Details

Our ADSs, each representing five of our Class A ordinary shares, have been listed on the NYSE since November 10, 2017. Our ADSs trade under the symbol “FINV.”

B. Plan and Distribution

Not applicable.

C. Markets

Our ADSs have been listed on the NYSE since November 10, 2017 under the symbol “PPDF.” We changed our symbol from “PPDF” to “FINV” in November 2019.

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 corporate affairs are governed by our memorandum and articles of association, as amended from time to time and the Companies Act (As Revised) of the Cayman Islands, which we refer to as the Companies Act below, and the common law of the Cayman Islands.

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

Objects of Our Company. Under our currently effective memorandum and articles of association, the objects of our company are unrestricted and we have the full power and authority to carry out any object not prohibited by the law of the Cayman Islands.

Ordinary Shares. Our ordinary shares are issued in registered form and are issued when registered in our register of members. Our shareholders who are non-residents of the Cayman Islands may freely hold and vote their shares.

Dividend. The holders of our ordinary shares are entitled to such dividends as may be declared by our board of directors. In addition, our shareholders may by an ordinary resolution declare a dividend, but no dividend may exceed the amount recommended by our directors. Under Cayman Islands law, our company may declare and pay a dividend only out of funds legally available therefor, namely out of either profit or our share premium account, *provided* that in no circumstances may we pay a dividend if this would result in our company being unable to pay its debts as they fall due in the ordinary course of business.

Voting Rights. In respect of all matters subject to a shareholders' vote, each holder of Class A ordinary share is entitled to one vote for each Class A ordinary share registered in his or her name on our register of members, and each holder of Class B ordinary share is entitled to twenty votes for each Class B ordinary share registered in his or her name on our register of members. Holders of Class A ordinary shares and Class B ordinary shares shall, at all times, vote together on all resolutions submitted to a vote of the members. 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 shareholders present in person or by proxy.

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 the issued and outstanding voting shares in our company. Shareholders may be present in person or by proxy or, if the shareholder is a legal entity, by its duly authorized representative. Shareholders' meetings may be convened by the chairman of our board of directors or a majority of our 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 the issued and outstanding shares that as at the date of the deposit of the shareholder's requisition carry the right to vote at general meetings of our company. 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 attached to the ordinary shares cast by those shareholders entitled to vote who are present in person or by proxy at a general meeting, while a special resolution requires the affirmative vote of no less than two-thirds of the votes attached to the ordinary shares cast by those shareholders entitled to vote who are present in person or by proxy at a general meeting. Both ordinary resolutions and special resolutions may also be passed by a unanimous written resolution signed by all the shareholders of our company, as permitted by the Companies Act and our amended and restated memorandum and articles of association. A special resolution will be required for important matters such as a change of name or making changes to our amended and restated memorandum and articles of association. Holders of the ordinary shares may, among other things, divide or combine their shares by ordinary resolution.

Conversion. Each Class B ordinary share is convertible into one Class A ordinary share at any time by the holder thereof. Class A ordinary shares are not convertible into Class B ordinary shares under any circumstances. Upon any sale, transfer, assignment or disposition of any Class B ordinary share by a shareholder to any person who is not an affiliate of such shareholder, or upon a change of ultimate beneficial ownership of any Class B ordinary share to any person who is not an affiliate of the registered shareholder of such share, such Class B ordinary shares shall be automatically and immediately converted into the equivalent number of Class A ordinary shares.

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 required 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 may not be suspended nor the register closed for more than 30 days in any year as our board may determine.

Liquidation. On a winding up of our company, if the assets available for distribution among our shareholders shall be more than sufficient to repay the whole of the share capital at the commencement of the winding up, the surplus will be distributed among our shareholders in proportion to the par value of the shares held by them at the commencement of the winding up, subject to a deduction from those shares in respect of which there are monies due, of all monies payable to our company for unpaid calls or otherwise. If our assets available for distribution are insufficient to repay all of the paid-up capital, the assets will be distributed so that the losses are borne by our shareholders in proportion to the par value of the shares held by them. We are a “limited liability” company registered under the Companies Act, and under the Companies Act, 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 Act, 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 Act no such share may be redeemed or repurchased (a) unless it is fully paid up, (b) if such redemption or repurchase would result in there being no shares outstanding, or (c) if 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 conferred upon the holders of the shares of any class issued with preferred or other rights may 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 currently effective 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 currently effective memorandum and articles of association also authorizes our board of directors to establish from time to time one or more series of preferred shares and to determine, with respect to any series of preferred shares, the terms and rights of that series, including:

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

Our board of directors may issue preferred shares without action by our shareholders to the extent authorized but unissued. Issuance of these shares may dilute the voting power of holders of 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 (other than the memorandum and articles of association, any special resolutions passed by such companies, the registers of mortgages and charges of such companies, and a list of the names of the current directors of such companies upon payment of a fee to the Cayman Registrar). Under Cayman Islands law, the names of our current directors can be obtained from a search conducted at the Registrar of Companies. However, we will provide our shareholders with annual audited financial statements.

Anti-Takeover Provisions. Some provisions of our amended and restated memorandum and articles of association may discourage, delay or prevent a change of control of our company or management that shareholders may consider favorable, including provisions that:

- authorize our board of directors to issue preferred shares in one or more series and to designate the price, rights, preferences, privileges and restrictions of such preferred shares without any further vote or action by our shareholders; and
- limit the ability of shareholders to requisition and convene general meetings of shareholders.

However, under Cayman Islands law, our directors may only exercise the rights and powers granted to them under our amended and restated memorandum and articles of association for a proper purpose and for what they believe in good faith to be in the best interests of our company.

General Meetings of Shareholders and Shareholder Proposals. Our shareholders' general meetings may be held in such place within or outside the Cayman Islands as our board of directors considers appropriate.

As a Cayman Islands exempted company, we are not obliged by the Companies Act to call shareholders' annual general meetings. Our currently effective memorandum and articles of association provide that we may (but are not obliged to) in each year hold a general meeting as our annual general meeting.

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

Cayman Islands law provides shareholders with only limited rights to requisition a general meeting, and does not provide shareholders with any right to put any proposal before a general meeting. However, these rights may be provided in a company's articles of association. Our currently effective memorandum and articles of association allow our shareholders holding shares representing in aggregate not less than one-third of the votes attaching to the issued and outstanding shares of our company entitled to vote at general meetings, to requisition an extraordinary general meeting of our shareholders, in which case our directors are obliged to call such meeting and to put the resolutions so requisitioned to a vote at such meeting; however, our currently effective 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.

Appointment and Removal of Directors. Unless otherwise determined by our company in general meeting, our articles 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 special resolution.

A director may be removed with or without cause by special 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 currently effective 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 currently effective memorandum and articles of association provide that the board may from exercise all the powers of our company to borrow money, to mortgage or charge all or any part of the undertaking, property and uncalled capital of our company and to issue debentures and other securities whenever money is borrowed, or as security for any debt, liability or obligation of our company or of any third party.

Changes in Capital. Our shareholders may from time to time by ordinary resolution:

- increase our share capital by such sum, to be divided into shares of such classes and amount, as the resolution shall prescribe;
- consolidate and divide all or any of our share capital into shares of a larger amount than our existing shares;
- sub-divide our existing shares, or any of them into shares of a smaller amount, *provided* that in the subdivision the proportion between the amount paid and the amount, if any, unpaid on each reduced share shall be the same as it was in case of the share from which the reduced share is derived; or
- cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person and diminish the amount of our share capital by the amount of the shares so canceled.

Our shareholders may by special resolution, subject to confirmation by the Grand Court of the Cayman Islands on an application by our company for an order confirming such reduction, reduce our share capital or any capital redemption reserve in any manner permitted by law.

Exempted Company. We are an exempted company with limited liability under the Companies Act. The Companies Act distinguishes between ordinary resident companies and exempted companies. Any company that is registered in the Cayman Islands but conducts business mainly outside of the Cayman Islands may apply to be registered as an exempted company. The requirements for an exempted company are essentially the same as for an ordinary company except that an exempted company:

- does not have to file an annual return of its shareholders with the Registrar of Companies;
- is not required to open its register of members for inspection;
- does not have to hold an annual general meeting;
- may issue negotiable or bearer shares or shares with no par value;
- may obtain an undertaking against the imposition of any future taxation (such undertakings are usually given for 20 years in the first instance);
- may register by way of continuation in another jurisdiction and be deregistered in the Cayman Islands;
- may register as a limited duration company; and
- may register as a segregated portfolio company.

“Limited liability” means that the liability of each shareholder is limited to the amount unpaid by the shareholder on that shareholder’s shares of the company (except in exceptional circumstances, such as involving fraud, the establishment of an agency relationship or an illegal or improper purpose or other circumstances in which a court may be prepared to pierce or lift the corporate veil).

Register of Members. Under Cayman Islands law, we must keep a register of members and there should be entered therein:

- the names and addresses of the members, a statement of the shares held by each member, and of the amount paid or agreed to be considered as paid, on the shares of each member, and confirmation on whether shares held by each member carries voting rights under our articles of association, and if so, whether such voting rights are conditional;
- the date on which the name of any person was entered on the register as a member; and
- the date on which any person ceased to be a member.

Under Cayman Islands law, the register of members of our company is prima facie evidence of the matters set out therein (i.e. the register of members will raise a presumption of fact on the matters referred to above unless rebutted) and a member registered in the register of members should be deemed as a matter of Cayman Islands law to have legal title to the shares as set against its name in the register of members. The shareholders recorded in the register of members are deemed to have legal title to the shares set against their name in the register of members.

If the name of any person is incorrectly entered in or omitted from our register of members, or if there is any default or unnecessary delay in entering on the register the fact of any person having ceased to be a member of our company, the person or member aggrieved (or any member of our company or our company itself) may apply to the Grand Court of the Cayman Islands for an order that the register be rectified, and the Court may either refuse such application or it may, if satisfied of the justice of the case, make an order for the rectification of the register.

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—Regulations in the PRC—Regulations Relating to Foreign Exchange.”

E. Taxation

The following summary of the material Cayman Islands, PRC and U.S. federal income tax consequences of an investment in our ADSs or ordinary shares is based upon laws and applicable 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 holders of our ADSs or ordinary shares levied by the government of the Cayman Islands except for stamp duties which may be applicable on instruments executed in, or, after execution, brought within the jurisdiction of the Cayman Islands. The Cayman Islands is not party to any double tax treaties that are applicable to any payments made by our company. There are no exchange control regulations or currency restrictions in the Cayman Islands.

Payments of dividends and capital in respect of the ADSs and ordinary shares will not be subject to taxation in the Cayman Islands and no withholding will be required on the payment of a dividend or capital to any holder of the Shares, nor will gains derived from the disposal of the shares be subject to Cayman Islands income or corporation.

People's Republic of China Taxation

Under the Enterprise Income Tax Law of the PRC 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, 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 regulation 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 this circular, an offshore incorporated enterprise controlled by a PRC enterprise or a PRC enterprise group will be regarded as a PRC tax resident by virtue of having its "de facto management body" in China only if all of the following conditions are met: (i) the primary location of the day-to-day operational management is in the PRC; (ii) decisions relating to the enterprise's financial and human resource matters are made or are subject to approval by organizations or personnel in the PRC; (iii) the enterprise's primary assets, accounting books and records, company seals, and board and shareholder resolutions, are located or maintained in the PRC; and (iv) at least 50% of voting board members or senior executives habitually reside in the PRC.

We do not believe that FinVolution Group meets all of the conditions above. FinVolution Group is a company incorporated outside the PRC. As a holding company, its key assets are its ownership interests in its subsidiaries, and its key assets are located, and its records (including the resolutions of its board of directors and the resolutions of its shareholders) are maintained, outside the PRC. For the same reasons, we believe our other entities outside of China are not PRC resident enterprises either. However, the tax resident status of an enterprise is subject to determination by the PRC tax authorities and uncertainties remain with respect to the interpretation of the term "de facto management body." There can be no assurance that the PRC government will ultimately take a view that is consistent with ours.

However, if the PRC tax authorities determine that FinVolution Group is a PRC resident enterprise for enterprise income tax purposes, we may be required to withhold a 10% withholding tax from dividends we pay to our shareholders that are non-resident enterprises, including the holders of our ADSs. Such 10% tax rate could be reduced by applicable tax treaties or similar arrangements between China and the jurisdiction of our shareholders. For example, for shareholders eligible for the benefits of the tax treaty between China and Hong Kong, the tax rate is reduced to 5% for dividends if relevant conditions are met. In addition, non-resident enterprise shareholders (including our ADS holders) may be subject to a 10% PRC tax on gains realized on the sale or other disposition of ADSs or ordinary shares, if such income is treated as sourced from within the PRC. It is unclear whether our non-PRC individual shareholders (including our ADS holders) would be subject to any PRC tax on dividends or gains obtained by such non-PRC individual shareholders in the event we are determined to be a PRC resident enterprise. If any PRC tax were to apply to such dividends or gains, it would generally apply at a rate of 20% unless a reduced rate is available under an applicable tax treaty. However, it is also unclear whether non-PRC shareholders of FinVolution Group would be able to claim the benefits of any tax treaties between their country of tax residence and the PRC in the event that FinVolution Group is treated as a PRC resident enterprise.

Provided that our Cayman Islands holding company, FinVolution Group, is not deemed to be a PRC resident enterprise, holders of our ADSs and ordinary shares who are not PRC residents will not be subject to PRC income tax on dividends distributed by us or gains realized from the sale or other disposition of our shares or ADSs. However, under SAT Circular 698 and SAT Public Notice 7, where a non-resident enterprise conducts an “indirect transfer” by transferring taxable assets, including, in particular, equity interests in a PRC resident enterprise, indirectly by disposing of the equity interests of an overseas holding company, the non-resident enterprise, being the transferor, or the transferee or the PRC entity which directly owned such taxable assets may report to the tax authority such indirect transfer. Using a “substance over form” principle, the PRC tax authority may disregard the existence of the overseas holding company if it lacks a reasonable commercial purpose and was established for the purpose of reducing, avoiding or deferring PRC tax. As a result, gains derived from such indirect transfer may be subject to PRC enterprise income tax, and the transferor obligated to withhold the applicable taxes, currently at a rate of 10% for the transfer of equity interests in a PRC resident enterprise. We and our non-PRC resident investors may be at risk of being required to file a return and being taxed under SAT Circular 698 and SAT Public Notice 7, and we may be required to expend valuable resources to comply with SAT Circular 698 and SAT Public Notice 7, or to establish that we should not be taxed under these circulars. See “Item 3. Key Information—D. Risk Factors—Risks Related to Doing Business in China—We face uncertainty with respect to indirect transfers of equity interests in PRC resident enterprises by their non-PRC holding companies.”

U.S. Federal Income Tax Considerations

The following discussion is a summary of U.S. federal income tax considerations generally applicable to the ownership and disposition of our ADSs or ordinary shares by a U.S. holder (as defined below) that 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 summary is based on the Code, U.S. Treasury regulations promulgated thereunder (the “Regulations”), judicial decisions, administrative pronouncements, the income tax treaty between the United States and China (the “Treaty”), and other relevant authorities, all as in effect as of the date hereof and all of which are subject to differing interpretations and change, possibly with retroactive effect. There can be no assurance that the Internal Revenue Service will not take, or that a court will not sustain a contrary position. This discussion, moreover, does not address the U.S. federal estate, gift, Medicare, and any minimum tax considerations, or any state, local and non-U.S. tax considerations, relating to the ownership or disposition of our ADSs or ordinary shares. The following summary does not address all aspects of U.S. federal income taxation that may be important to particular investors in light of their individual circumstances or to persons in special tax situations such as:

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

- certain former United States citizens or long-term residents;
- tax-exempt entities (including private foundations);
- persons liable for any minimum tax;
- persons who acquire their ADSs or ordinary shares pursuant to any employee share option or otherwise as compensation;
- investors that will hold their ADSs or ordinary shares as part of a straddle, hedge, conversion, constructive sale or other integrated transaction for U.S. federal income tax purposes;
- investors that have a functional currency other than the United States dollar;
- persons that actually or constructively own ADSs or ordinary shares representing 10% or more of our stock (by vote or value); or
- partnerships or other entities taxable as partnerships for U.S. federal income tax purposes, or persons holding ADSs or ordinary shares through such entities;

all of whom may be subject to tax rules that differ significantly from those discussed below.

Prospective investors should consult their tax advisors concerning the U.S. federal income tax considerations relevant to the ownership and disposition of the ADSs or ordinary shares in light of their particular circumstances as well as any applicable state, local and non-U.S. income and other tax considerations.

General

For purposes of this discussion, a “U.S. holder” is a beneficial owner (as determined for U.S. federal income tax purposes) of our ADSs or ordinary shares that is, for U.S. federal income tax purposes,

- an individual who is a citizen or resident of the United States;
- a corporation (or other entity treated as a corporation for U.S. federal income tax purposes) created in, or organized under the laws of, the United States or any state thereof or the District of Columbia;
- an estate the income of which is subject to U.S. federal income taxation regardless of its source; or
- 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 validly elected to be treated as a United States person under the applicable Regulations.

If a partnership (or other entity or arrangement treated as a partnership for U.S. 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 should consult their tax advisors as to the particular U.S. federal income tax consequences of an investment in our ADSs or ordinary shares.

For U.S. federal income tax purposes, a U.S. holder of ADSs will generally be treated as the beneficial owner of the underlying shares represented by the ADSs. The remainder of this discussion assumes that a U.S. holder of our ADSs will be treated as the beneficial owner of the underlying shares represented by the ADSs. Accordingly, deposits or withdrawals of ordinary shares for ADSs will generally not be subject to U.S. federal income tax.

Passive Foreign Investment Company Considerations

A non-United States corporation, such as our company, will be a PFIC for U.S. 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 value of its assets (generally determined on the basis of a quarterly average) during such year produce or are held for the production of passive income. Cash is categorized as a passive asset and the company’s goodwill and other 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 the consolidated variable interest entities (including their subsidiaries) as being owned by us for U.S. federal income tax purposes, and we treat them that way, not only because we are able to direct the activities of 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.

Based upon the nature and composition of our income and assets (in particular, the retention of a substantial amount of cash, deposits, and investments) and the market price of our ADSs, we believe that we were likely a PFIC for U.S. federal income tax purposes for the taxable year ended December 31, 2025, and we will likely be a PFIC for our current taxable year unless the market price of our ADSs increases and/or we invest a substantial amount of the cash and other passive assets we hold in assets that produce or are held for the production of active income. If we are a PFIC for any year during which a U.S. holder holds our ADSs or ordinary shares, we will generally continue to be treated as a PFIC for all succeeding years during which such U.S. holder holds our ADSs or ordinary shares.

If we are a PFIC for any year during which a U.S. holder holds our ADSs or ordinary shares, we will generally continue to be treated as a PFIC for all succeeding years during which such U.S. holder holds our ADSs or ordinary shares. However, if we cease to be a PFIC, provided that a U.S. holder has not made a mark-to-market election, as described below, a U.S. holder may avoid some of the adverse effects of the PFIC regime by making a “deemed sale” election with respect to the ADSs or ordinary shares, as applicable. If such election is made, a U.S. holder will be deemed to have sold our ADSs or ordinary shares at their fair market value and any gain from such deemed sale would be subject to the rules described below under “Passive Foreign Investment Company Rules.” After the deemed sale election, so long as we do not become a PFIC in a subsequent taxable year, a U.S. holder’s ADSs or ordinary shares with respect to which such election was made will not be treated as shares in a PFIC and a U.S. holder will not be subject to the rules described below with respect to any “excess distribution” such holder receives from us or any gain from an actual sale or other disposition of the ADSs or ordinary shares. The rules dealing with deemed sale elections are very complex. Each U.S. holder should consult its tax advisors regarding the possibility and considerations of making a deemed sale election.

Passive Foreign Investment Company Rules

As mentioned above, we believe that we were likely a PFIC for the taxable year ended December 31, 2025, and we will likely be classified as a PFIC for our current taxable year. 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 (each, a “pre-PFIC year”), will be taxable as ordinary income;

- such amount allocated to each prior taxable year, other than a pre-PFIC year, will be subject to tax at the highest tax rate in effect for that year, and such amounts will be increased by an additional tax equal to interest on the resulting tax deemed deferred with respect to such years.

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 should consult their tax advisors regarding the application of the PFIC rules to any of our subsidiaries.

As an alternative to the foregoing rules, a U.S. holder of “marketable stock” in a PFIC may make a mark-to-market election with respect to such stock, provided that such stock is regularly traded on a qualified exchange or other market, as defined in the applicable Regulations. For those purposes, our ADSs, but not our ordinary shares, are listed on the NYSE, which is a qualified exchange. We anticipate that our ADSs should qualify as being regularly traded, but no assurances may be given in this regard. Because a mark-to-market election cannot technically be made for any lower-tier PFICs that a PFIC may own, a U.S. holder who makes a mark-to-market election with respect to our ADSs will generally continue to be subject to the foregoing rules with respect to such U.S. holder’s indirect interest in any investments held by us that are treated as an equity interest in a PFIC for U.S. federal income tax purposes.

If a mark-to-market election is made with respect to our ADSs, 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 regularly traded on a qualified exchange or the Internal Revenue Service’s consents to the revocation of the election. It should also be noted that only the ADSs, and not the ordinary shares, are listed on the NYSE. Consequently, if a U.S. holder holds ordinary shares that are not represented by ADSs, such holder will generally not be eligible to make a mark-to-market election if we are or were to become a PFIC.

If a U.S. holder makes a mark-to-market election in respect of a PFIC and such corporation ceases to be a PFIC, the U.S. holder will not be required to take into account the mark-to-market gain or loss described above during any period that such corporation is not a PFIC.

We do not intend to provide information necessary for U.S. holders to make qualified electing fund elections, which, if available, would result in tax treatment different from (and generally less adverse than) the general tax treatment for PFICs described above.

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 should 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.

Dividends

As noted above, we were likely a PFIC for our most recent taxable year ended December 31, 2025 and may also be a PFIC for our current taxable year. Accordingly, the treatment most likely to apply to a U.S. holder is set forth above in “—Passive Foreign Investment Company Rules.” If our ADSs or ordinary shares are not treated as stock of a PFIC with respect to a particular U.S. holder, the following rules will generally apply. 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 U.S. federal income tax principles, will generally be includible in the gross income of a U.S. holder as dividend income on the day actually or constructively received by the U.S. holder, in the case of ordinary shares, or by the depositary, in the case of ADSs. Because we do not intend to determine our earnings and profits on the basis of U.S. federal income tax principles, any distribution paid will generally be reported as a dividend for U.S. federal income tax purposes. A non-corporate recipient of dividend income from a “qualified foreign corporation” will generally be subject to tax at a reduced tax rate provided that certain holding period and other 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 (but not our ordinary shares) are listed on the NYSE and is considered readily tradable on an established securities market in the United States. Since we do not expect that our ordinary shares will be listed on established securities markets, we do not believe that dividends that we pay on our ordinary shares that are not backed by ADSs currently meet the conditions required for the reduced tax rate. There can be no assurance that our ADSs will continue to be considered readily tradable on an established securities market in later years. As described in “—People’s Republic of China Taxation,” if we are deemed to be a resident enterprise under the Enterprise Income Tax Law of the PRC, we may be eligible for the benefits of the Treaty 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 should 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 of the PRC, a U.S. holder may be subject to PRC withholding taxes on dividends paid on our ADSs or ordinary shares. See “Item 10. Additional Information—E. Taxation—People’s Republic of China Taxation.” In that case, a U.S. holder may be eligible, subject to a number of complex limitations, to claim a foreign tax credit in respect of any foreign withholding taxes imposed on dividends received on ADSs or ordinary shares. A U.S. holder who does not elect to claim a foreign tax credit for foreign tax withheld may instead claim a deduction, for U.S. 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 should consult their tax advisors regarding the availability of the foreign tax credit under their particular circumstances.

As mentioned above, we believe that we were likely a PFIC for the taxable year ended December 31, 2025, and we will likely be classified as a PFIC for our current taxable year. U.S. holders should consult their tax advisors regarding the availability of the reduced tax rate on dividends with respect to the ADSs or ordinary shares in their particular circumstances.

Sale or Other Disposition of ADSs or Ordinary Shares

As noted above, we were likely a PFIC for our most recent taxable year ended December 31, 2025, and may also be a PFIC for our current taxable year. Accordingly, the treatment most likely to apply to a U.S. holder is set forth above in “—Passive Foreign Investment Company Rules.” If our ADSs or ordinary shares are not treated as stock of a PFIC with respect to a particular U.S. holder, the following rules will generally apply. 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 such gain or loss will generally be long-term capital gain or loss if the U.S. holder’s holding period in the ADSs or ordinary shares exceeds one year at the time of disposition. Any such gain or loss will generally be treated as U.S. source income or loss for U.S. 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 of the PRC 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 Treaty may elect to treat the gain as PRC source income. However, if a U.S. Holder is not eligible for the benefits of the Treaty or does not elect to apply the Treaty, then such holder may not be able to claim a foreign tax credit arising from any PRC tax imposed on the disposition of ADSs or ordinary shares. The rules regarding foreign tax credits and deduction of foreign taxes are complex. U.S. Holders should consult their tax advisors regarding the availability of a foreign tax credit or deduction in light of their particular circumstances, including their eligibility for benefits under the Treaty and the potential impact of the Regulations.

As mentioned above, we believe that we were a PFIC for the taxable year ended December 31, 2025, and we will likely be classified as a PFIC for our current taxable year. U.S. holders should consult their tax advisors regarding the tax considerations of the sale or other disposition of the ADSs or ordinary shares in their particular circumstances.

F. Dividends and Paying Agents

Not applicable.

G. Statement by Experts

Not applicable.

H. Documents on Display

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 we file with the SEC can be obtained over the internet at the SEC's website at www.sec.gov. As a foreign private issuer, we are exempt from the rules under the Exchange Act prescribing the furnishing and content of quarterly reports and proxy statements, and officers, directors and principal shareholders are exempt from the reporting and short-swing profit recovery provisions contained in Section 16 of the Exchange Act.

We will furnish Citibank, N.A., the depository 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 depository will make such notices, reports and communications available to holders of ADSs and, upon our request, will mail to all record holders of ADSs the information contained in any notice of a shareholders' meeting received by the depository from us.

I. Subsidiary Information

Not applicable.

J. Annual Report to Security Holders

Not applicable.

ITEM 11. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Foreign Exchange Risk

The majority of our revenues and our expenses are denominated in Renminbi. We hold not only Renminbi but also other foreign currencies. The conversion of Renminbi into other currencies, including U.S. dollars, is based on rates set by the People's Bank of China. The Renminbi has fluctuated against other currencies, at times significantly and unpredictably. The value of Renminbi against other currencies is affected by changes in China's political and economic conditions and by China's foreign exchange policies, among other things. It is difficult to predict how market forces or government policies may impact the exchange rate between Renminbi and other currencies in the future.

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. Our exposure to interest rate risk relates primarily to the interest rates associated with the outstanding notes we issued and our short-term and long-term borrowings. We may incur other financing facilities in the future. The objective of interest rate risk management is to minimize financial costs and uncertainties associated with interest rate changes. We strive to effectively manage our interest rate risk by periodic monitoring and responding to risk factors on a timely basis, improve the structure of long-term and short-term borrowings and maintain the appropriate balance between loans with floating interest rates and fixed interest rates.

We are subject to interest rate sensitivity on our outstanding 2030 Notes. We account for our convertible notes on an amortized cost basis and our recognized value of the convertible notes does not reflect changes in fair value. Also, because convertible notes we have issued bear interest at a fixed rate, we have not incurred financial statement impact resulting from changes in interest rates. However, changes in market interest rates impact the fair value of the convertible notes along with other variables such as our credit spreads and the market price and volatility of our ADSs and ordinary shares. Increases in market interest rates would result in a decrease in the fair value of our outstanding convertible notes and decreases in market interest rates would result in an increase in the fair value of our outstanding convertible notes. For information on the maturities and other contractual terms of our convertible notes, see “Item 5. Operating and Financial Review and Prospects—B. Liquidity and Capital Resources—Cash Flows and Working Capital.”

The fluctuation of interest rates may also affect the demand for loan services on our platforms. For example, a decrease in interest rates may cause potential borrowers to seek lower-priced loans from other channels. A high interest rate environment will likely increase the funding costs for our institutional funding partners, which may lead to a higher rate of return required by such institutional funding partners and thereby dampen their desire to invest on our platforms. We do not expect that the fluctuation of interest rates will have a material impact on our financial condition. However, we cannot provide assurance that we will not be exposed to material risks due to changes in market interest rate in the future. See “Item 3. Key Information—D. Risk Factors—Risks Related to Our Business—Fluctuations in interest rates could negatively affect transaction volume facilitated through our platforms.” We may 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 fees under the terms of the deposit agreement:

<u>Service</u>	<u>Fees</u>
• Issuance of ADSs (e.g., an issuance of ADS upon a deposit of Class A ordinary shares, upon a change in the ADS(s)-to-Class A ordinary share(s) ratio, or for any other reason), excluding ADS issuances as a result of distributions of Class A ordinary shares	Up to US\$0.05 per ADS issued
• Cancellation of ADSs (e.g., a cancellation of ADSs for delivery of deposited property, upon a change in the ADS(s)-to-Class A ordinary share(s) ratio, or for any other reason)	Up to US\$0.05 per ADS canceled
• Distribution of cash dividends or other cash distributions (e.g., upon a sale of rights and other entitlements)	Up to US\$0.05 per ADS held
• Distribution of ADSs pursuant to (i) stock dividends or other free stock distributions, or (ii) exercise of rights to purchase additional ADSs	Up to US\$0.05 per ADS held
• Distribution of securities other than ADSs or rights to purchase additional ADSs (e.g., upon a spin-off)	Up to US\$0.05 per ADS held
• ADS Services	Up to US\$0.05 per ADS held on the applicable record date(s) established by the depository bank

As an ADS holder you will also be responsible to pay certain charges such as:

- taxes (including applicable interest and penalties) and other governmental charges;
- the registration fees as may from time to time be in effect for the registration of Class A ordinary shares on the share register and applicable to transfers of Class A ordinary shares to or from the name of the custodian, the depository bank or any nominees upon the making of deposits and withdrawals, respectively;
- certain cable, telex and facsimile transmission and delivery expenses;
- the expenses and charges incurred by the depository bank in the conversion of foreign currency;
- the fees and expenses incurred by the depository bank in connection with compliance with exchange control regulations and other regulatory requirements applicable to Class A ordinary shares, ADSs and ADRs; and
- the fees and expenses incurred by the depository bank, the custodian, or any nominee in connection with the servicing or delivery of deposited property.

ADS fees and charges payable upon (i) the issuance of ADSs, and (ii) the cancellation of ADSs are charged to the person to whom the ADSs are issued (in the case of ADS issuances) and to the person whose ADSs are canceled (in the case of ADS cancellations). In the case of ADSs issued by the depository bank into DTC, the ADS issuance and cancellation fees and charges may be deducted from distributions made through DTC, and may be charged to the DTC participant(s) receiving the ADSs being issued or the DTC participant(s) holding the ADSs being canceled, as the case may be, on behalf of the beneficial owner(s) and will be charged by the DTC participant(s) to the account of the applicable beneficial owner(s) in accordance with the procedures and practices of the DTC participants as in effect at the time. ADS fees and charges in respect of distributions and the ADS service fee are charged to the holders as of the applicable ADS record date. In the case of distributions of cash, the amount of the applicable ADS fees and charges is deducted from the funds being distributed. In the case of (i) distributions other than cash and (ii) the ADS service fee, holders as of the ADS record date will be invoiced for the amount of the ADS fees and charges and such ADS fees and charges may be deducted from distributions made to holders of ADSs. For ADSs held through DTC, the ADS fees and charges for distributions other than cash and the ADS service fee may be deducted from distributions made through DTC, and may be charged to the DTC participants in accordance with the procedures and practices prescribed by DTC and the DTC participants in turn charge the amount of such ADS fees and charges to the beneficial owners for whom they hold ADSs.

In the event of refusal to pay the depository bank fees, the depository 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 depository bank fees from any distribution to be made to the ADS holder. Certain of the depository fees and charges (such as the ADS services fee) may become payable shortly after the closing of the ADS offering. Note that the fees and charges you may be required to pay may vary over time and may be changed by us and by the depository bank. You will receive prior notice of such changes. The depository bank may reimburse us for certain expenses we incurred in respect of the ADR program, by making available a portion of the ADS fees charged in respect of the ADR program or otherwise, upon such terms and conditions as we and the depository bank agree from time to time.

Fees and Other Payments Made by the Depository to Us

The depository bank may reimburse us for certain expenses we incurred in respect of the ADR program, by making available a portion of the ADS fees charged in respect of the ADR program or otherwise, upon such terms and conditions as we and the depository bank agree from time to time. For the year ended December 31, 2025, we received US\$3.5 million in reimbursement from the depository.

PART II

ITEM 13. DEFAULTS, DIVIDEND ARREARAGES AND DELINQUENCIES

None.

ITEM 14. MATERIAL MODIFICATIONS TO THE RIGHTS OF SECURITY HOLDERS AND USE OF PROCEEDS

Material Modifications to the Rights of Security Holders

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.

Use of Proceeds

None.

ITEM 15. CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

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

Based upon that evaluation, our management, with the participation of our chief executive officer and chief financial officer, has concluded that, as of December 31, 2025, our disclosure controls and procedures were effective in ensuring that the information required to be disclosed by us in the reports that we filed and furnished 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 filed or submitted under the Exchange Act was accumulated and communicated to our management, including our chief executive officer and chief financial officer, 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 internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of our financial reporting and the preparation of financial statements for external purposes in accordance with Generally Accepted Accounting Principles in the United States of America and includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of our company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated financial statements in accordance with GAAP, and that receipts and expenditures of our company are being made only in accordance with authorizations of our management and directors; and (iii) provide reasonable assurance regarding prevention or timely detection of the unauthorized acquisition, use or disposition of our company’s assets that could have a material effect on the consolidated financial statements.

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

As required by Section 404 of the Sarbanes-Oxley Act of 2002 and related rules as promulgated by the SEC, our management including our chief executive officer and chief financial officer assessed the effectiveness of internal control over financial reporting as of December 31, 2025 using the criteria set forth in the report “Internal Control—Integrated Framework (2013)” published by the Committee of Sponsoring Organizations of the Treadway Commission. Based on this evaluation, management concluded that our internal control over financial reporting was effective as of December 31, 2025.

Attestation Report of the Independent Registered Public Accounting Firm

PricewaterhouseCoopers Zhong Tian LLP has audited the effectiveness of our internal control over financial reporting as of December 31, 2025 as stated in its report, which appears on page F-2 of this annual report on Form 20-F.

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. Jimmy Y. Lai, 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 a 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 October 2017. We have posted a copy of our code of business conduct and ethics on our website at ir.finvgroup.com.

ITEM 16C. PRINCIPAL ACCOUNTANT FEES AND SERVICES

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

	2024	2025	
	RMB	RMB	US\$
	(in thousands)		
Audit fees ⁽¹⁾	10,328	13,233	1,893
Audit-related fees ⁽²⁾	—	—	—
Tax fees ⁽³⁾	244	1,647	236
All other fees ⁽⁴⁾	2,082	2,096	300

* The US\$ amounts are translated from corresponding RMB amounts using a rate of RMB6.9931 = US\$1.00, the noon buying rate on December 31, 2025 set forth in the H.10 statistical release of the U.S. Federal Reserve Board.

- (1) “Audit fees” mean the aggregate fees billed or to be billed for each of the last two fiscal years for professional services rendered by the principal accountant for the audit of the registrant’s annual financial statements or services that are normally provided by the accountant in connection with statutory and regulatory filings or engagements for those fiscal years.
- (2) “Audit-related fees” mean the aggregate fees billed or to be billed in each of the last two fiscal years for assurance and related services by the principal accountant that are reasonably related to the performance of the audit or review of the registrant’s financial statements and are not reported under footnote (1) above.
- (3) “Tax fees” mean the aggregate fees billed or to be billed in each of the last two fiscal years for professional services rendered by the principal accountant for tax compliance, tax advice, and tax planning.
- (4) “All other fees” mean the aggregate fees billed or to be billed in each of the last two fiscal years for products and services provided by the principal accountant, other than the services reported in footnotes (1) through (3).

The policy of our audit committee is to pre-approve all audit and non-audit services provided by PricewaterhouseCoopers Zhong Tian LLP, including audit services, audit-related services, tax services and other services as described above.

ITEM 16D. EXEMPTIONS FROM THE LISTING STANDARDS FOR AUDIT COMMITTEES

Not applicable.

ITEM 16E. PURCHASES OF EQUITY SECURITIES BY THE ISSUER AND AFFILIATED PURCHASERS

On August 28, 2023, our board of directors approved a new share repurchase program, under which we may repurchase our own Class A ordinary shares in the form of ADSs with an aggregate value of up to US\$150 million until August 29, 2025, which we refer to as the 2023 Share Repurchase Program. This share repurchase program was publicly announced on August 28, 2023.

We had repurchased a total of approximately 27.3 million ADSs under the 2023 Share Repurchase Program. The table below is a summary of the shares we repurchased in 2025 under the 2023 Share Purchase Program. Other than repurchase made concurrently with the pricing of the 2030 Notes, all shares were repurchased in the open market pursuant to the 2023 Share Repurchase Program.

Period	Total number of ADSs purchased	Average price paid per ADS	Total number of ADSs purchased as part of the publicly announced plan ⁽¹⁾	Approximate dollar value of ADSs that may yet be purchased under the plan
January 1, 2025 – January 31, 2025	272,207	6.84	24,298,960	28,107,486
February 1, 2025 – February 28, 2025	5,344	7.50	24,304,304	28,067,383
March 1, 2025 – March 31, 2025	-	-	24,304,304	28,067,383
April 1, 2025 – April 30, 2025	101,647	7.55	24,405,951	27,299,749
May 1, 2025 – May 31, 2025	33,402	8.45	24,439,353	27,017,355
June 1, 2025 – June 30, 2025 ⁽²⁾	2,842,975	9.50	27,282,328	3
July 1, 2025 – July 31, 2025	-	-	27,282,328	3
August 1, 2025 – August 31, 2025	-	-	27,282,328	3
Total	3,255,575	9.21	27,282,328	3

Note:

- (1) The total number of ADSs purchased as part of the publicly announced plan in this column represents the cumulative total of ADSs bought under this share repurchase program as of the end of the given month.
- (2) The total number of ADSs purchased in June 2025 includes 2,818,184 ADSs purchased concurrently with the pricing of the 2030 Notes.

On March 14, 2025, our board of directors approved a new share repurchase program, effective on March 20, 2025, under which we may repurchase our own Class A ordinary shares in the form of ADSs with an aggregate value of up to US\$150 million during the period from March 20, 2025 to March 19, 2027. We refer to this new share repurchase program as the 2025 Share Repurchase Program. The 2025 Share Repurchase Program was publicly announced on March 17, 2025. Other than repurchase made concurrently with the pricing of the 2030 Notes, all shares were repurchased in the open market pursuant to the 2025 Share Repurchase Program. The table below is a summary of the shares we repurchased in 2025 and up to March 31, 2026 under the 2025 Share Purchase Program.

Period	Total number of ADSs purchased	Average price paid per ADS	Total number of ADSs purchased as part of the publicly announced plan ⁽¹⁾	Approximate dollar value of ADSs that may yet be purchased under the plan
March 1, 2025 – March 31, 2025	-	-	-	150,000,000
April 1, 2025 – April 30, 2025	-	-	-	150,000,000
May 1, 2025 – May 31, 2025	-	-	-	150,000,000
June 1, 2025 – June 30, 2025 ⁽²⁾	3,563,349	9.51	3,563,349	116,112,737
July 1, 2025 – July 31, 2025	12,864	8.88	3,576,213	115,998,493
August 1, 2025 – August 31, 2025	46,261	8.66	3,622,474	115,597,741
September 1, 2025 – September 30, 2025	275,685	7.71	3,898,159	113,471,336
October 1, 2025 – October 31, 2025	1,126,022	6.41	5,024,181	106,248,275
November 1, 2025 – November 30, 2025	2,040,702	5.56	7,064,883	94,905,491
December 1, 2025 – December 31, 2025	4,263,180	5.22	11,328,063	72,641,102
January 1, 2026 – January 31, 2026	3,595,087	5.20	14,923,150	53,954,448
February 1, 2026 – February 29, 2026	2,417,570	5.42	17,340,720	40,839,295
March 1, 2026 – March 31, 2026	1,440,798	5.35	18,781,518	33,136,654
Total	18,781,518	6.22	18,781,518	33,136,654

Note:

- (1) The total number of ADSs purchased as part of the publicly announced plan in this column represents the cumulative total of ADSs bought under this share repurchase program as of the end of the given month.
- (2) The total number of ADSs purchased in June 2025 includes 3,559,556 ADSs purchased concurrently with the pricing of the 2030 Notes.

Members of senior management have informed us that they purchased approximately US\$1.9 million of our ADSs in 2025. All the ADSs purchased were independent of our company's share repurchase programs and were made during an open window period in full compliance with all our company's policy and legal guidelines.

ITEM 16F. CHANGE IN REGISTRANT'S CERTIFYING ACCOUNTANT

Not applicable.

ITEM 16G. CORPORATE GOVERNANCE

Section 303A.12(a) of the NYSE Listed Company Manual requires each listed company's chief executive officer to certify to the NYSE each year that he or she is not aware of any violation by the company of NYSE corporate governance listing standards. We are a Cayman Islands exempted company, and our chief executive officer is not required under applicable Cayman Islands law to make such a certification. Pursuant to the exceptions granted to foreign private issuers under Section 303A.00 of the NYSE Listed Company Manual, we have followed our home country practice in this regard and have not in the past submitted the certification set forth in Section 303A.12(a) of the NYSE Listed Company Manual.

Section 303A.01 of the NYSE Listed Company Manual requires a listed company to have a majority of independent directors. Section 303A.07(a) of the NYSE Listed Company Manual requires a listed company to have an audit committee composed a minimum of three members. Section 303A.05(a) of the NYSE Listed Company Manual requires a listed company to have a compensation committee composed entirely of independent directors. We are a Cayman Islands exempted company, and there are no requirements under applicable Cayman Islands law that correspond to these sections of the NYSE Listed Company Manual. Pursuant to the exceptions granted to foreign private issuers under Section 303A.00 of the NYSE Listed Company Manual, we have followed our home country practice and are exempted from the requirements of Sections 303A.01, 303A.07(a) and 303A.05(a) of the NYSE Listed Company Manual.

Section 302.00 of the NYSE Listed Company Manual requires a listed company to hold an annual meeting during each fiscal year. We are a Cayman Islands exempted company, and we are not required under applicable Cayman Islands law to hold an annual meeting during each fiscal year. Pursuant to the exceptions granted to foreign private issuers under Section 303A.00 of the NYSE Listed Company Manual, we have followed our home country practice and are exempted from the requirements of Section 302.00 of the NYSE Listed Company Manual.

Other than the requirements discussed above, there are no significant differences between our corporate governance practices and those followed by domestic listed companies as required under the NYSE Listed Company Manual. Since we have chosen to follow our home country practice, our shareholders may be afforded less protection than 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 for 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.”

ITEM 16H. MINE SAFETY DISCLOSURE

Not applicable.

ITEM 16I. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS

Not applicable.

ITEM 16J. INSIDER TRADING POLICIES

Our board of directors has established insider trading policies and procedures to provide guidance on the purchases, sales, and other dispositions of our securities by our directors, officers, employees, and consultants, with the goal of promoting compliance with applicable insider trading laws, rules, and regulations.

The Second Amended and Restated Statement of Policies Governing Material Non-Public Information and the Prevention of Insider Trading, adopted by our board of directors on November 16, 2023, is filed as Exhibit 11.2 to this annual report on Form 20-F.

ITEM 16K. CYBERSECURITY

Risk Management and Strategy

We have implemented robust processes for assessing, identifying and managing material risks from cybersecurity threats and monitoring the prevention, detection, mitigation and remediation of material cybersecurity incident. We have also integrated cybersecurity risk management into our overall enterprise risk management system.

We have established a multi-layered cybersecurity defense system to mitigate both internal and external cyber threats. This comprehensive system spans multiple security domains, including network, host, and application layers. It integrates a range of security capabilities such as threat defense, continuous monitoring, in-depth analysis, rapid response, as well as strategic deception and countermeasures. Our approach to managing cybersecurity risks and safeguarding sensitive data is multi-faceted, involving technological safeguards, procedural protocols, a rigorous program of surveillance on our corporate network, ongoing internal evaluations of our security measures, external evaluations conducted by third-party vendors, a solid incident response framework, and regular cybersecurity training sessions for our employees. Our IT department is actively engaged in continuous monitoring of our applications, platforms and infrastructure to ensure prompt identification and response to potential issues, including emerging cybersecurity threats.

As of the date of this annual report, we have not experienced any material cybersecurity incidents or identified any material cybersecurity threats that have affected or are reasonably likely to materially affect us, our business strategy, results of operations or financial condition.

Governance

Our nominating and corporate governance committee of the board of directors is responsible for overseeing our cybersecurity risk management. Our nominating and corporate governance committee shall (i) maintain oversight of the disclosure related to cybersecurity matters in current reports or periodic reports of our company, (ii) review updates to the status of any material cybersecurity incidents or material risks from cybersecurity threats to our company, and the associated disclosure issues, if any, presented by our chief executive officer, chief financial officer and cybersecurity officer on a quarterly basis, and (iii) review disclosure concerning cybersecurity matters in our annual report on Form 20-F presented by our chief executive officer, chief financial officer and cybersecurity officer.

At management level, our chief executive officer, chief financial officer, and the principal officer in charge of the cybersecurity matters who has experience in dealing with information security and cybersecurity issues, which are collectively referred to as the Cybersecurity Risk Management Officers, are responsible for assessing, identifying and managing material risks from cybersecurity threats to our company and monitoring the prevention, detection, mitigation and remediation of material cybersecurity incident. Our Cybersecurity Risk Management Officers report to our nominating and corporate governance committee on (i) a quarterly basis on updates to the status of any material cybersecurity incidents or material risks from cybersecurity threats to our company, and the associated disclosure issues, if any, and (ii) on disclosure concerning cybersecurity matters in our annual report on Form 20-F.

If a cybersecurity incident occurs, our Cybersecurity Risk Management Officers will promptly organize personnel for internal assessment and if it is determined that the incident could potentially be a material cybersecurity event, our Cybersecurity Risk Management Officers will promptly report the incident and assessment results to our disclosure committee, our nominating and corporate governance committee, and other members of senior management and external legal counsel, to the extent appropriate. Our Cybersecurity Risk Management Officers shall prepare disclosure material on the cybersecurity incident for review and approval by the disclosure committee and cybersecurity committee, and other members of senior management (if necessary), before it is disseminated to the public.

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 FinVolution Group, its subsidiaries and the consolidated variable interest entities are included at the end of this annual report.

ITEM 19. EXHIBITS

Exhibit Number	Description of Document
1.1	<u>Fourth Amended and Restated 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. 333-220954), as amended, initially filed with the Securities and Exchange Commission on October 13, 2017).</u>
1.2	<u>Certificate of Incorporation on Change of Name as of November 6, 2019 (incorporated herein by reference to Exhibit 1.2 to the Form 20-F filed on April 28, 2021 (File No. 001-38269)).</u>
2.1	<u>Registrant's Specimen American Depositary Receipt (incorporated herein by reference to Exhibit 4.3 to the registration statement on Form F-1 (File No. 333-220954), as amended, initially filed with the Securities and Exchange Commission on October 13, 2017)</u>
2.2	<u>Registrant's Specimen Certificate for Class A Ordinary Shares (incorporated herein by reference to Exhibit 4.3 to the registration statement on Form S-8 (File No. 333-274381) filed with the Securities and Exchange Commission on September 7, 2023)</u>
2.3	<u>Deposit Agreement dated November 14, 2017, among the Registrant, the depository and holder of the American Depositary Receipts (incorporated herein by reference to Exhibit 4.3 to the registration statement on Form S-8 (File No. 333-224011), filed with the Securities and Exchange Commission on March 29, 2018)</u>
2.4	<u>Description of Securities (incorporated herein by reference to Exhibit 2.4 to the Form 20-F filed on April 18, 2025 (File No. 001-38269))</u>
4.1	<u>The 2017 Share Incentive Plan of the Registrant (incorporated herein by reference to Exhibit 10.2 to the registration statement on Form F-1 (File No. 333-220954), as amended, initially filed with the Securities and Exchange Commission on October 13, 2017)</u>
4.2	<u>Employment Agreement between the Registrant and its executive officers (incorporated herein by reference to Exhibit 10.3 to the registration statement on Form F-1 (File No. 333-220954), as amended, initially filed with the Securities and Exchange Commission on October 13, 2017)</u>
4.3	<u>Indemnification Agreement between the Registrant and its directors and executive officers (incorporated herein by reference to Exhibit 10.4 to the registration statement on Form F-1 (File No. 333-220954), as amended, initially filed with the Securities and Exchange Commission on October 13, 2017)</u>
4.4	<u>English translation of the Loan Agreement between Shanghai Guangjian and the shareholders of Beijing Paipairongxin dated March 21, 2018 (incorporated herein by reference to Exhibit 4.16 to the annual report on Form 20-F (File No. 001-38269), filed with the Securities and Exchange Commission on April 27, 2018)</u>
4.5	<u>English translation of the Restated Equity Pledge Agreement among Shanghai Guangjian, Beijing Paipairongxin, Beijing Prosper and the shareholders of Beijing Paipairongxin dated March 21, 2018 (incorporated herein by reference to Exhibit 4.17 to the annual report on Form 20-F (File No. 001-38269), filed with the Securities and Exchange Commission on April 27, 2018)</u>
4.6	<u>English translation of the Restated Business Operation Agreement among Shanghai Guangjian, Shanghai Shanghu, Beijing Paipairongxin, Beijing Prosper, and the shareholders of Beijing Paipairongxin dated March 21, 2018 (incorporated herein by reference to Exhibit 4.18 to the annual report on Form 20-F (File No. 001-38269), filed with the Securities and Exchange Commission on April 27, 2018)</u>
4.7	<u>English translation of the Restated Power of Attorney granted by the shareholders of Beijing Paipairongxin dated March 21, 2018 (incorporated herein by reference to Exhibit 4.19 to the annual report on Form 20-F (File No. 001-38269), filed with the Securities and Exchange Commission on April 27, 2018)</u>
4.8	<u>English translation of the Restated Exclusive Technology Consulting and Service Agreement among Shanghai Guangjian, Shanghai Shanghu, Beijing Prosper, Shanghai PPDai, and Beijing Paipairongxin dated March 21, 2018 (incorporated herein by reference to Exhibit 4.20 to the annual report on Form 20-F (File No. 001-38269), filed with the Securities and Exchange Commission on April 27, 2018)</u>
4.9	<u>English translation of the Restated Option Agreement among Shanghai Guangjian, Beijing Prosper, Beijing Paipairongxin and the shareholders of Beijing Paipairongxin dated March 21, 2018 (incorporated herein by reference to Exhibit 4.21 to the annual report on Form 20-F (File No. 001-38269), filed with the Securities and Exchange Commission on April 27, 2018)</u>
4.10	<u>English translation of the Loan Agreement between Shanghai Manyin and shareholders of Shanghai Zihe dated March 21, 2018 (incorporated herein by reference to Exhibit 4.22 to the annual report on Form 20-F (File No. 001-38269), filed with the Securities and Exchange Commission on April 27, 2018)</u>
4.11	<u>English translation of the Equity Pledge Agreement among Shanghai Manyin, Shanghai Zihe and the shareholders of Shanghai Zihe dated March 21, 2018 (incorporated herein by reference to Exhibit 4.23 to the annual report on Form 20-F (File No. 001-38269), filed with the Securities and Exchange Commission on April 27, 2018)</u>
4.12	<u>English translation of the Business Operation Agreement among Shanghai Manyin, Shanghai Zihe and the shareholders of Shanghai Zihe dated March 21, 2018 (incorporated herein by reference to Exhibit 4.24 to the annual report on Form 20-F (File No. 001-38269), filed with the Securities and Exchange Commission on April 27, 2018)</u>
4.13	<u>English translation of the Power of Attorney granted by the shareholders of Shanghai Zihe dated March 21, 2018 (incorporated herein by reference to Exhibit 4.25 to the annual report on Form 20-F (File No. 001-38269), filed with the Securities and Exchange Commission on April 27, 2018)</u>

Exhibit Number	Description of Document
4.14	English translation of the Exclusive Technology Consulting and Service Framework Agreement between Shanghai Manyin and Shanghai Zihe dated March 21, 2018 (incorporated herein by reference to Exhibit 4.26 to the annual report on Form 20-F (File No. 001-38269), filed with the Securities and Exchange Commission on April 27, 2018)
4.15	English translation of the Exclusive Call Option Agreement among Shanghai Manyin, Shanghai Zihe and the shareholders of Shanghai Zihe dated March 21, 2018 (incorporated herein by reference to Exhibit 4.27 to the annual report on Form 20-F (File No. 001-38269), filed with the Securities and Exchange Commission on April 27, 2018)
4.16	English translation of the Loan Agreement between Shanghai Manyin and the shareholders of Shanghai Ledao dated January 14, 2019 (incorporated herein by reference to Exhibit 4.28 to the annual report on Form 20-F (File No. 001-38269), filed with the Securities and Exchange Commission on April 25, 2019)
4.17	English translation of the Equity Pledge Agreement among Shanghai Manyin, Shanghai Ledao and the shareholders of Shanghai Ledao dated January 14, 2019 (incorporated herein by reference to Exhibit 4.29 to the annual report on Form 20-F (File No. 001-38269), filed with the Securities and Exchange Commission on April 25, 2019)
4.18	English translation of the Business Operation Agreement among Shanghai Manyin, Shanghai Ledao and the shareholders of Shanghai Ledao dated January 14, 2019 (incorporated herein by reference to Exhibit 4.30 to the annual report on Form 20-F (File No. 001-38269), filed with the Securities and Exchange Commission on April 25, 2019)
4.19	English translation of the Power of Attorney granted by the shareholders of Shanghai Ledao dated January 14, 2019 (incorporated herein by reference to Exhibit 4.31 to the annual report on Form 20-F (File No. 001-38269), filed with the Securities and Exchange Commission on April 25, 2019)
4.20	English translation of the Exclusive Technology Consulting and Service Framework Agreement between Shanghai Manyin and Shanghai Ledao dated January 14, 2019 (incorporated herein by reference to Exhibit 4.32 to the annual report on Form 20-F (File No. 001-38269), filed with the Securities and Exchange Commission on April 25, 2019)
4.21	English translation of the Exclusive Call Option Agreement among Shanghai Manyin, Shanghai Ledao and the shareholders of Shanghai Ledao dated January 14, 2019 (incorporated herein by reference to Exhibit 4.33 to the annual report on Form 20-F (File No. 001-38269), filed with the Securities and Exchange Commission on April 25, 2019)
4.22*	Indenture, dated as of June 24, 2025, by and between the Registrant, as issuer, and Citibank, N.A., as trustee, constituting US\$150,000,000 2.50% Convertible Senior Notes due 2030
8.1*	Principal Subsidiaries and Variable Interest Entities of the Registrant
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. 333-220954), as amended, initially filed with the Securities and Exchange Commission on October 13, 2017)
11.2	Insider Trading Policy (incorporated herein by reference to Exhibit 11.2 to the annual report on Form 20-F (File No. 001-38269), filed with the Securities and Exchange Commission on April 18, 2025)
12.1*	Certification by Principal Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
12.2*	Certification by Principal Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
13.1**	Certification by Principal Executive Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
13.2**	Certification by Principal Financial Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
15.1*	Consent of PricewaterhouseCoopers Zhong Tian LLP, an independent registered public accounting firm
15.2*	Consent of Hui Ye Law Firm
15.3*	Consent of Maples and Calder (Hong Kong) LLP
97.1	Clawback Policy of the Registrant (incorporated herein by reference to Exhibit 97.1 to the annual report on Form 20-F (File No. 001-38269), filed with the Securities and Exchange Commission on April 25, 2024)
101.INS*	Inline XBRL Instance Document—the instance document does not appear in the Interactive Data File as its XBRL tags are embedded within the Inline XBRL document
101.SCH*	Inline XBRL Taxonomy Extension Schema with Embedded Linkbase Documents
104	Cover Page formatted as Inline XBRL and contained in Exhibit 101

* 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.

FinVolution Group

/s/ Tiezheng Li

By: Tiezheng Li

Name: Tiezheng Li

Title: Chief Executive Officer

Date: April 29, 2026

FINVOLUTION GROUP
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Report of Independent Registered Public Accounting Firm

To the Board of Directors and Shareholders of FinVolution Group

Opinions on the Financial Statements and Internal Control over Financial Reporting

We have audited the accompanying consolidated balance sheets of FinVolution Group and its subsidiaries (the “Company”) as of December 31, 2025 and 2024, and the related consolidated statements of comprehensive income, of changes in shareholders’ equity and of cash flows for each of the three years in the period ended December 31, 2025, including the related notes (collectively referred to as the “consolidated financial statements”). We also have audited the Company’s internal control over financial reporting as of December 31, 2025, based on criteria established in *Internal Control - Integrated Framework* (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2025 and 2024, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2025 in conformity with accounting principles generally accepted in the United States of America. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2025, based on criteria established in *Internal Control - Integrated Framework* (2013) issued by the COSO.

Basis for Opinions

The Company’s management is responsible for these consolidated financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in Management’s Annual Report on Internal Control over Financial Reporting appearing under Item 15. Our responsibility is to express opinions on the Company’s consolidated financial statements and on the Company’s internal control over financial reporting based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud, and whether effective internal control over financial reporting was maintained in all material respects.

Our audits of the consolidated financial statements included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

Definition and Limitations of Internal Control over Financial Reporting

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

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

Critical Audit Matters

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

Measurement of expected credit losses for certain financial assets and guarantee liabilities

As described in Notes 2(s), 4 and 8 to the consolidated financial statements, the Company had the following accounts associated with expected credit losses measurement as of December 31, 2025:

● Accounts receivable and contract assets	RMB2,028.6 million, net of credit loss allowance of RMB340.8 million
● Quality assurance receivable	RMB1,315.2 million, net of credit loss allowance of RMB581.5 million
● Loans receivable	RMB6,471.6 million, net of credit loss allowance of RMB544.9 million
● Liability from quality assurance commitment	RMB2,574.8 million

Management determined the amounts of the provisions and liabilities relating to the above accounts using an expected credit losses methodology that was based on (i) historical default experience; (ii) known and inherent risks in the portfolio; (iii) current economic conditions; and (iv) future macroeconomic forecasts as well as other factors surrounding the credit risks of borrowers. When forecasting macroeconomic factors, management primarily considered gross domestic product, consumer price index and other pertinent factors such as money supply wherein M1 money supply was determined to be the most relevant to the Company's business.

The principal considerations for our determination that performing procedures relating to measurement of expected credit losses for certain financial assets and guarantee liabilities is a critical audit matter are (i) there was significant judgment and estimation by management in determining the modeling techniques utilized in their expected credit losses methodology and in determining the underlying estimates, which in turn led to a high degree of auditor judgment, subjectivity, and audit effort in performing procedures and evaluating audit evidence related to estimates used in the expected credit losses methodology and (ii) the audit effort involved the use of professionals with specialized skill and knowledge.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures included testing the effectiveness of controls relating to management's estimate of expected credit losses, including controls over the Company's models, significant assumptions, and underlying data used by management. The procedures also included, among other things, testing management's process for developing the estimate of expected credit losses, which involved (i) evaluating the appropriateness of management's methodology; (ii) testing the completeness, accuracy and relevance of underlying data used in the estimate; and (iii) evaluating the reasonableness of management's forward-looking adjustments made to historical default experience. These procedures also included the involvement of professionals with specialized skill and knowledge to assist in evaluating the appropriateness of certain models, methodologies and inputs used in developing the estimate of the expected credit losses.

/s/ PricewaterhouseCoopers Zhong Tian LLP
Shanghai, the People's Republic of China
April 29, 2026

We have served as the Company's auditor since 2016.

FINVOLUTION GROUP
CONSOLIDATED BALANCE SHEETS
AS OF DECEMBER 31, 2024 AND 2025
(All amounts in thousands, except share data, or otherwise noted)

	Note	As of December 31,		
		2024	2025	
		RMB	RMB	US\$ Note 2(e)
Assets				
Cash and cash equivalents	2(h)	4,672,772	4,285,121	612,764
Restricted cash	2(i)	2,074,300	1,912,850	273,534
Short-term investments	2(j)	2,832,382	3,015,226	431,172
Accounts receivable and contract assets, net of credit loss allowance for accounts receivable and contract assets of RMB290,267 and RMB340,816 as of December 31, 2024 and 2025, respectively	8	2,405,880	2,028,585	290,084
Quality assurance receivable, net of credit loss allowance for quality assurance receivable of RMB426,949 and RMB581,475 as of December 31, 2024 and 2025, respectively	2(s)	1,639,591	1,315,184	188,069
Loans receivable, net of credit loss allowance for loans receivable of RMB226,467 and RMB544,905 as of December 31, 2024 and 2025, respectively	4	4,157,621	6,471,619	925,429
Property, equipment and software, net	6	623,792	641,316	91,707
Right of use assets	16	36,826	52,020	7,439
Intangible assets	7	137,298	270,246	38,645
Goodwill		50,411	79,759	11,405
Investments	2(l)	1,173,003	1,141,816	163,278
Deferred tax assets	12	2,513,865	2,992,071	427,860
Prepaid expenses and other assets	5	1,271,673	1,171,066	167,460
Amounts due from related parties (including amounts due to related parties of the consolidated VIE and VIE's subsidiaries including consolidated trusts without recourse to the Company of RMB952 and RMB20,343 as of December 31, 2024 and 2025, respectively)		17,707	36,725	5,252
Total assets		23,607,121	25,413,604	3,634,098
Liabilities and Shareholders' Equity:				
Deferred guarantee income (including deferred guarantee income of the consolidated VIE and VIE's subsidiaries including consolidated trusts without recourse to the Company of RMB1,283,000 and RMB893,602 as of December 31, 2024 and 2025, respectively)	2(s)	1,515,950	1,119,004	160,015
Liability from quality assurance commitment (including liability from quality assurance commitment of the consolidated VIE and VIE's subsidiaries including consolidated trusts without recourse to the Company of RMB2,591,768 and RMB1,796,856 as of December 31, 2024 and 2025, respectively)	2(s)	2,964,116	2,574,842	368,198
Payroll and welfare payable (including payroll and welfare payable of the consolidated VIE and VIE's subsidiaries including consolidated trusts without recourse to the Company of RMB153,686 and RMB179,883 as of December 31, 2024 and 2025, respectively)	9	290,389	361,188	51,649
Taxes payable (including taxes payable of the consolidated VIE and VIE's subsidiaries including consolidated trusts without recourse to the Company of RMB561,475 and RMB43,657 as of December 31, 2024 and 2025, respectively)		705,928	177,064	25,320
Funds payable to investors of consolidated trusts (including funds payable to investors of consolidated trusts of the consolidated VIE and VIE's subsidiaries including consolidated trusts without recourse to the Company of RMB793,720 and RMB778,531 as of December 31, 2024 and 2025, respectively)	4	796,122	778,531	111,328
Contract liabilities (including contract liabilities of the consolidated VIE and VIE's subsidiaries including consolidated trusts without recourse to the Company of RMB10,185 and RMB226 as of December 31, 2024 and 2025, respectively)	2(u)	10,185	226	32

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

FINVOLUTION GROUP
CONSOLIDATED BALANCE SHEETS
AS OF DECEMBER 31, 2024 AND 2025 (Continued)
(All amounts in thousands, except share data, or otherwise noted)

	Note	As of December 31,		
		2024	2025	US\$ Note 2(e)
		RMB	RMB	
Liabilities and Shareholders' Equity (Continued)				
Short-term borrowings	17	5,594	170,408	24,368
Amounts due to related parties (including amounts due to related parties of the consolidated VIE and VIE's subsidiaries including consolidated trusts without recourse to the Company of RMB130 and RMB5,809 as of December 31, 2024 and 2025, respectively)	11	13,314	18,700	2,674
Leasing liabilities (including leasing liabilities of the consolidated VIE and VIE's subsidiaries including consolidated trusts without recourse to the Company of RMB22,673 and RMB26,420 as of December 31, 2024 and 2025, respectively)	16	28,765	44,711	6,394
Deferred tax liabilities (including deferred tax liabilities of the consolidated VIE and VIE's subsidiaries including consolidated trusts without recourse to the Company of RMB112,604 and RMB238,650 as of December 31, 2024 and 2025, respectively)	12	491,213	786,556	112,476
Accrued expenses and other liabilities (including accrued expenses and other liabilities of the consolidated VIE and VIE's subsidiaries including consolidated trusts without recourse to the Company of RMB878,881 and RMB967,257 as of December 31, 2024 and 2025, respectively)	10	1,231,870	1,429,531	204,420
Convertible senior notes	18	-	1,019,266	145,753
Long-term borrowings	17	-	89,590	12,811
Total liabilities		8,053,446	8,569,617	1,225,438
Commitments and contingencies	19			
FinVolution Group shareholders' equity:				
Class A ordinary shares (US\$0.00001 par value; 10,000,000,000 shares authorized as of December 31, 2024 and 2025; 983,371,169 and 983,371,169 issued as of December 31, 2024 and 2025; 699,550,724 and 649,742,834 outstanding as of December 31, 2024 and 2025)	13	64	64	9
Class B ordinary shares (US\$0.00001 par value; 10,000,000,000 shares authorized as of December 31, 2024 and 2025; 566,700,000 and 566,700,000 issued and outstanding as of December 31, 2024 and 2025)	13	39	39	6
Additional paid-in capital		5,815,437	5,908,586	844,917
Treasury stock (283,820,445 and 333,628,335 shares as of December 31, 2024 and 2025, respectively)	13	(1,765,542)	(2,465,259)	(352,527)
Statutory reserves	2(ag)	852,723	1,042,312	149,049
Accumulated other comprehensive income		92,626	13,027	1,863
Retained earnings		10,208,717	12,051,332	1,723,318
Total FinVolution Group shareholders' equity		15,204,064	16,550,101	2,366,635
Non-controlling interest		349,611	293,886	42,025
Total shareholders' equity		15,553,675	16,843,987	2,408,660
Total liabilities and shareholders' equity		23,607,121	25,413,604	3,634,098

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

FINVOLUTION GROUP
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2023, 2024 AND 2025
(All amounts in thousands, except share data, or otherwise noted)

	Note	For the years ended December 31,			
		2023	2024		2025
		RMB	RMB	RMB	US\$ Note 2(e)
Operating revenue:					
Loan facilitation service fees	2(u)	4,520,504	4,694,380	5,176,457	740,224
Post-facilitation service fees	2(u)	1,969,705	1,740,241	1,629,777	233,055
Guarantee income	2(s)	4,478,995	5,085,296	4,124,934	589,858
Net interest income	2(n)	1,049,379	853,779	1,336,459	191,111
Other revenue	2(u)	528,862	692,128	1,301,856	186,163
Net revenues		<u>12,547,445</u>	<u>13,065,824</u>	<u>13,569,483</u>	<u>1,940,411</u>
Operating expenses:					
Origination, servicing expenses and other cost of revenue	2(v)	(2,111,515)	(2,381,839)	(2,870,221)	(410,436)
Origination, servicing expenses and other cost of revenue-related party	11	-	-	(29,928)	(4,280)
Sales and marketing expenses	2(w)	(1,887,442)	(2,014,254)	(2,200,543)	(314,673)
General and administrative expenses	2(x)	(390,022)	(413,548)	(442,148)	(63,226)
Research and development expenses	2(y)	(510,986)	(496,740)	(536,617)	(76,735)
Credit losses for quality assurance commitment	2(s)	(4,422,802)	(4,587,254)	(3,462,384)	(495,114)
Provision for loans receivable	4	(586,843)	(320,013)	(637,700)	(91,190)
Provision for accounts receivable and contract assets	8	(253,948)	(317,049)	(425,966)	(60,912)
Impairment of goodwill and intangible assets	2(r)	-	-	(50,676)	(7,247)
Total operating expenses		<u>(10,163,558)</u>	<u>(10,530,697)</u>	<u>(10,656,183)</u>	<u>(1,523,813)</u>
Other income					
Interest expenses		-	-	(28,472)	(4,071)
Other income, net		394,698	310,123	216,617	30,975
Profit before income tax expenses		<u>2,778,585</u>	<u>2,845,250</u>	<u>3,101,445</u>	<u>443,502</u>
Income tax expenses	12	(395,100)	(457,405)	(556,243)	(79,542)
Net profit		<u>2,383,485</u>	<u>2,387,845</u>	<u>2,545,202</u>	<u>363,960</u>
Net profit attributable to non-controlling interest shareholders		(42,650)	(4,699)	(2,797)	(400)
Net profit attributable to FinVolution Group's ordinary shareholders		<u>2,340,835</u>	<u>2,383,146</u>	<u>2,542,405</u>	<u>363,560</u>

FINVOLUTION GROUP
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2023, 2024 AND 2025 (Continued)
(All amounts in thousands, except share data, or otherwise noted)

Note	For the years ended December 31,			
	2023	2024	2025	US\$
	RMB	RMB	RMB	Note 2(e)
Net profit	2,383,485	2,387,845	2,545,202	363,960
Foreign currency translation adjustment, net of nil tax	27,769	12,620	(79,599)	(11,383)
Total comprehensive income	<u>2,411,254</u>	<u>2,400,465</u>	<u>2,465,603</u>	<u>352,577</u>
Total comprehensive income attributable to non-controlling interest shareholders	(42,650)	(4,699)	(2,797)	(400)
Total comprehensive income attributable to FinVolution Group's ordinary shareholders	<u>2,368,604</u>	<u>2,395,766</u>	<u>2,462,806</u>	<u>352,177</u>
Weighted average number of ordinary shares used in computing net profit per share				
Basic	1,374,713,018	1,287,853,207	1,259,849,521	1,259,849,521
Diluted	1,402,947,561	1,320,229,492	1,334,237,985	1,334,237,985
Net profit per share attributable to FinVolution Group's ordinary shareholders				
Basic	1.70	1.85	2.02	0.29
Diluted	1.67	1.81	1.92	0.27
Net profit per ADS attributable to FinVolution Group's ordinary shareholders (one ADS equals to five ordinary shares)				
Basic	8.51	9.25	10.09	1.44
Diluted	8.34	9.03	9.59	1.37

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

FINVOLUTION GROUP
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2023, 2024 AND 2025
(All amounts in thousands, except share data, or otherwise noted)

Note	Issued ordinary shares		Additional paid-in capital RMB	Treasury stock		Accumulated other comprehensive income RMB	Statutory reserve RMB	Retained earnings RMB	Non-controlling interest RMB	Total shareholders' equity RMB
	Share	Amount RMB		Share	Amount RMB					
Balance as of December 31, 2022	1,550,071,169	103	5,692,703	(136,874,400)	(568,595)	52,237	698,401	6,496,852	72,788	12,444,489
Repurchase of ordinary shares	13	-	-	(107,601,530)	(691,464)	-	-	-	-	(691,464)
Share-based compensation	14	-	116,407	-	-	-	-	-	-	116,407
Exercise of share-based compensation plans	14	-	(60,376)	20,799,700	60,376	-	-	-	-	-
Net profit	-	-	-	-	-	-	-	2,340,835	42,650	2,383,485
Dividends paid to shareholders	-	-	-	-	-	-	-	(416,463)	(13,890)	(430,353)
Foreign currency translation adjustment	-	-	-	-	-	27,769	-	-	-	27,769
Appropriation to statutory reserve	-	-	-	-	-	-	64,071	(64,071)	-	-
Capital injection from non-controlling interest	-	-	-	-	-	-	-	-	20,565	20,565
Balance as of December 31, 2023	<u>1,550,071,169</u>	<u>103</u>	<u>5,748,734</u>	<u>(223,676,230)</u>	<u>(1,199,683)</u>	<u>80,006</u>	<u>762,472</u>	<u>8,357,153</u>	<u>122,113</u>	<u>13,870,898</u>

FINVOLUTION GROUP
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2023, 2024 AND 2025 (Continued)
(All amounts in thousands, except share data, or otherwise noted)

Note	Issued ordinary shares		Additional paid-in capital RMB	Treasury stock		Accumulated other comprehensive income RMB	Statutory reserve RMB	Retained earnings RMB	Non-controlling interest RMB	Total shareholders' equity RMB
	Share	Amount RMB		Share	Amount RMB					
Balance as of December 31, 2023	1,550,071,169	103	5,748,734	(223,676,230)	(1,199,683)	80,006	762,472	8,357,153	122,113	13,870,898
Repurchase of ordinary shares	13	-	-	(88,949,555)	(643,208)	-	-	-	-	(643,208)
Share-based compensation	14	-	144,052	-	-	-	-	-	-	144,052
Exercise of share-based compensation plans	14	-	(77,349)	28,805,340	77,349	-	-	-	-	-
Net profit	-	-	-	-	-	-	-	2,383,146	4,699	2,387,845
Dividends paid to shareholders	-	-	-	-	-	-	-	(441,331)	-	(441,331)
Foreign currency translation adjustment	-	-	-	-	-	12,620	-	-	-	12,620
Appropriation to statutory reserve	-	-	-	-	-	-	90,251	(90,251)	-	-
Capital reduction by non-controlling interest	-	-	-	-	-	-	-	-	(142)	(142)
Business combination	-	-	-	-	-	-	-	-	222,941	222,941
Balance as of December 31, 2024	<u>1,550,071,169</u>	<u>103</u>	<u>5,815,437</u>	<u>(283,820,445)</u>	<u>(1,765,542)</u>	<u>92,626</u>	<u>852,723</u>	<u>10,208,717</u>	<u>349,611</u>	<u>15,553,675</u>

FINVOLUTION GROUP
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2023, 2024 AND 2025 (Continued)
(All amounts in thousands, except share data, or otherwise noted)

Note	Issued ordinary shares		Additional paid-in capital RMB	Treasury stock		Accumulated other comprehensive income RMB	Statutory reserve RMB	Retained earnings RMB	Non-controlling interest RMB	Total shareholders' equity RMB	
	Share	Amount RMB		Share	Amount RMB						
Balance as of December 31, 2024		1,550,071,169	103	5,815,437	(283,820,445)	(1,765,542)	92,626	852,723	10,208,717	349,611	15,553,675
Repurchase of ordinary shares	13	-	-	-	(72,918,190)	(767,004)	-	-	-	-	(767,004)
Share-based compensation	14	-	-	149,045	-	-	-	-	-	-	149,045
Exercise of share-based compensation plans	14	-	-	(57,023)	23,110,300	67,287	-	-	-	-	10,264
Net profit		-	-	-	-	-	-	-	2,542,405	2,797	2,545,202
Dividends paid to shareholders		-	-	-	-	-	-	-	(510,201)	-	(510,201)
Foreign currency translation adjustment		-	-	-	-	-	(79,599)	-	-	-	(79,599)
Appropriation to statutory reserve		-	-	-	-	-	-	189,589	(189,589)	-	-
Acquisition of additional equity interests of subsidiaries	3	-	-	1,127	-	-	-	-	-	(58,532)	(57,405)
Business combination		-	-	-	-	-	-	-	-	10	10
Balance as of December 31, 2025		1,550,071,169	103	5,908,586	(333,628,335)	(2,465,259)	13,027	1,042,312	12,051,332	293,886	16,843,987

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

FINVOLUTION GROUP
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2023, 2024 AND 2025
(All amounts in thousands, except share data, or otherwise noted)

	For the years ended December 31,			
	2023	2024	2025	US\$
	RMB	RMB	RMB	Note 2(e)
Cash flows from operating activities:				
Net profit	2,383,485	2,387,845	2,545,202	363,960
Adjustments to reconcile net profit to net cash provided by (used in) operating activities:				
Provision for loans receivable	586,843	320,013	637,700	91,190
Provision for accounts receivable and contract assets	253,948	317,049	425,966	60,912
Provision for quality assurance receivable	354,366	378,695	455,466	65,131
Depreciation and amortization	22,515	69,491	66,484	9,507
Amortization of right-of-use asset and interest of leasing liabilities	46,575	16,761	22,374	3,200
Change in fair value of short-term investments	(32,462)	(45,589)	19,228	2,750
Gain or loss from investments	722	(7,752)	28,742	4,111
Net gain from investment in loans	(1,049,379)	(853,779)	(1,336,459)	(191,111)
Share-based compensation	116,407	144,052	149,045	21,313
Impairment of goodwill and intangible assets	-	-	50,676	7,247
Interest expense on borrowings	-	168	200	29
Changes in operating assets and liabilities:				
Accounts receivable and contract assets	(245,041)	(514,391)	(47,276)	(6,760)
Quality assurance receivable	(440,126)	(262,671)	(131,059)	(18,741)
Deferred tax assets	(704,964)	(863,303)	(478,207)	(68,383)
Prepaid expenses and other assets	124,972	1,705,744	182,778	26,137
Deferred guarantee income	76,872	(366,086)	(396,946)	(56,763)
Liability from quality assurance commitment	(249,486)	(342,016)	(389,274)	(55,665)
Payroll and welfare payable	(12,880)	28,385	70,799	10,124
Taxes payable	73,450	499,086	(527,542)	(75,438)
Contract liabilities	-	5,076	(9,959)	(1,424)
Leasing liabilities	(43,539)	(22,908)	(24,126)	(3,452)
Deferred tax liabilities	108,420	141,665	292,917	41,887
Accrued expenses and other liabilities	(9,826)	157,625	260,871	37,303
Net cash provided by operating activities	1,360,872	2,893,160	1,867,600	267,064
Cash flows from investing activities:				
Collection of loans originated and held by the Group	7,338,026	6,853,291	16,785,948	2,400,359
Investment in loans originated and held by the Group	(5,829,136)	(9,352,176)	(18,426,766)	(2,634,992)
Proceeds from disposal of investments	6,029	7,583	37,684	5,388
Purchase of investments	(67,800)	(35,165)	(35,240)	(5,039)
Proceeds from short-term investments	12,430,443	7,517,922	7,870,067	1,125,405
Purchase of short-term investments	(11,929,977)	(7,343,894)	(8,072,138)	(1,154,300)
Purchase of property, equipment and software	(538,095)	(27,757)	(84,191)	(12,039)
Purchase of intangible assets	-	-	(9,161)	(1,310)
Net funds paid on behalf of customers	(1,498)	(16,354)	(23,183)	(3,315)
Proceeds from disposal of a subsidiary	4,000	(703)	(9,905)	(1,416)
Cash paid for business combinations, net of cash acquired	-	101,437	(216,812)	(31,004)
Net cash provided by (used in) investing activities	1,411,992	(2,295,816)	(2,183,697)	(312,263)

FINVOLUTION GROUP
CONSOLIDATED STATEMENTS OF CASH FLOWS (Continued)
FOR THE YEARS ENDED DECEMBER 31, 2023, 2024 AND 2025
(All amounts in thousands, except share data, or otherwise noted)

	For the years ended December 31,			
	2023	2024	2025	
	RMB	RMB	RMB	US Note 2(e)
Cash flows from financing activities:				
Cash received from investors - consolidated trusts	1,272,700	780,000	1,541,250	220,396
Cash paid to investors - consolidated trusts	(2,735,478)	(439,599)	(1,595,731)	(228,186)
Net funds held for customers	54,049	121,733	(35,778)	(5,116)
Cash received from short-term borrowings	5,756	28,094	213,836	30,578
Repayment of short-term borrowings	-	(28,262)	(42,095)	(6,020)
Cash paid for dividends	(430,353)	(441,331)	(510,201)	(72,958)
Repurchase of ordinary shares	(694,521)	(643,208)	(767,004)	(109,680)
Proceeds from exercise of share options	2,280	-	10,264	1,468
Proceeds from convertible senior notes, net of issuance cost	-	-	1,044,537	149,367
Cash paid for acquisition of additional equity interests of subsidiaries	-	-	(53,784)	(7,691)
Capital injection from (reduction by) non-controlling interest shareholders	20,565	(142)	10	1
Net cash used in financing activities	(2,505,002)	(622,715)	(194,696)	(27,841)
Effect of exchange rate changes on cash, cash equivalents and restricted cash	22,441	3,053	(38,308)	(5,480)
Net increase (decrease) in cash, cash equivalents and restricted cash	290,303	(22,318)	(549,101)	(78,520)
Cash, cash equivalents and restricted cash at beginning of year	6,479,087	6,769,390	6,747,072	964,818
Cash, cash equivalents and restricted cash at end of year	6,769,390	6,747,072	6,197,971	886,298
Supplemental disclosure of cash investing and financing activities				
Cash paid for interest including interest paid to investors of consolidated trusts	(87,100)	(38,310)	(45,765)	(6,544)
Cash paid for income taxes	(960,477)	(673,736)	(1,349,411)	(192,963)
Supplemental disclosure of non-cash investing and financing activities				
Payable for purchase of intangible assets	5,000	5,000	5,000	715
Payable for convertible senior note issuance cost	-	-	4,455	637

The following table sets forth cash, cash equivalents and restricted cash by category within the Consolidated Balance Sheets:

	As of December 31,		
	2024	2025	
	RMB	RMB	US\$ Note 2(e)
Cash and cash equivalents	4,672,772	4,285,121	612,764
Restricted cash	2,074,300	1,912,850	273,534
Total cash, cash equivalents and restricted cash	6,747,072	6,197,971	886,298

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

FINVOLUTION GROUP
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(All amounts in thousands, except share data, or otherwise noted)

1. Principal activities and organization

FinVolution Group (the “Company”) is an investment holding company and with its consolidated subsidiaries and the consolidated variable interest entities (“VIEs”) (collectively referred to as the “Group”) operates an online consumer finance marketplace through its platform (www.ppdai.com) and PPDai mobile application registered in the People’s Republic of China (the “PRC” or “China”). The Company has been listed on the New York Stock Exchange in the United States of America since November 2017. The Company had power to direct activities of a number of VIEs through a series of commercial agreements (the “VIE Agreements”) entered into between certain subsidiaries of the Group (the “WOFEs”), the VIEs and nominal shareholders of the VIEs.

As of December 31, 2025, the Company’s principal subsidiaries and the consolidated VIEs are as follows:

Name	Percentage of direct or indirect economic interest	Date of incorporation	Place of incorporation
<u>Subsidiaries</u>			
FinVolution (HK) Limited (“FinVolution HK”)	100%	June 12, 2012	Hong Kong, China
Bluebottle Limited	100%	December 12, 2017	Hong Kong, China
Beijing Prosper Investment Consulting Co., Ltd. (“Beijing Prosper”)	100%	August 21, 2012	Beijing, China
Shanghai Guangjian Information Technology Co., Ltd. (“Shanghai Guangjian”)	100%	June 5, 2017	Shanghai, China
Shanghai Shanghu Information Technology Co., Ltd. (“Shanghai Shanghu”)	100%	June 15, 2017	Shanghai, China
Shanghai Manyin Information Technology Co., Ltd. (“Shanghai Manyin”)	100%	February 12, 2018	Shanghai, China
PT Pembiayaan Digital Indonesia	80%	June 5, 2018	Jakarta, Indonesia
Hainan Shanghu Information Technology Co., Ltd. (“Hainan Shanghu”)	100%	August 1, 2018	Hainan, China
Wefund Lending Corp	100%	December 12, 2018	Pasig City, Philippines
<u>Consolidated VIEs</u>			
Beijing Paipairongxin Investment Consulting Co., Ltd. (“Beijing Paipairongxin”)	100%*	June 15, 2012	Beijing, China
Shanghai Zihe Information Technology Group Co., Ltd. (“Shanghai Zihe”)	100%*	July 6, 2017	Shanghai, China
Shanghai Ledao Technology Co., Ltd. (“Shanghai Ledao”)	100%*	January 10, 2019	Shanghai, China
<u>Consolidated VIEs’ principal subsidiaries</u>			
Shanghai PPDai Financial Information Services Co., Ltd. (“Shanghai PPDai”)	100%*	January 18, 2011	Shanghai, China
Hefei PPDai Information Technology Co., Ltd.	100%*	December 19, 2016	Anhui, China
Shanghai Erxu Information Technology Co., Ltd. (“Shanghai Erxu”)	100%*	April 28, 2018	Shanghai, China
Fujian Zhiyun Financing Guarantee Co., Ltd. (“Fujian Zhiyun”)	100%*	November 21, 2019	Fujian, China

*Have power to direct activities via contractual relationships

FINVOLUTION GROUP
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(All amounts in thousands, except share data, or otherwise noted)

2. Summary of significant accounting policies

(a) Basis of presentation

The Group's consolidated financial statements are prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"). The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the amounts reported in the accompanying consolidated financial statements and related disclosures. Actual results may differ from those estimates.

(b) Principle of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries, which include the WOFEs and the consolidated VIEs, for which the Company is the ultimate primary beneficiary. Subsidiaries are those entities in which the Company, directly or indirectly, controls more than one half of the voting power; or has the power to govern the financial and operating policies, to appoint or remove the majority of the members of the board of directors, or to cast a majority of votes at the meeting of directors.

The Company depends on a series of contractual arrangements to provide the WOFEs with a "controlling financial interest" in the VIEs, as defined in FASB ASC 810, making it the primary beneficiary of the VIEs. The contractual arrangements provide the Company with the power to direct the activities that most significantly impact the economic performance of the VIEs and with the obligation to absorb losses or the right to receive benefits from the VIEs that could potentially be significant to the VIEs and as such they are the primary beneficiary and consolidate the VIEs for financial reporting.

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

Details of the VIE structure are set forth below:

FINVOLUTION GROUP
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(All amounts in thousands, except share data, or otherwise noted)

2. Summary of significant accounting policies (continued)

(b) Principle of consolidation (continued)

i) VIE Agreements that give the Company the power to direct the activities that most significantly impact the economic performance of the VIEs

Business Operation Agreement

Pursuant to the relevant business operation agreements, the shareholders of the VIEs agree that to the extent permitted by law, they will accept and unconditionally execute the WOFEs' instructions on business operations, such as appointment of directors and executive officers. They further agree that, without the WOFEs' prior written consent, the VIEs will not take any action that may have material adverse effects on their assets, businesses, human resources, rights, obligations, or business operations. The shareholders of the VIEs agree to transfer any dividends or other similar income or interests they receive as the shareholders of the VIEs, if any, immediately and unconditionally to the WOFEs. This agreement also requires each of the shareholders of the VIEs to issue an irrevocable power of attorney authorizing the WOFEs or any person(s) designated by the WOFEs to execute shareholders' rights on behalf of such shareholder. Unless the WOFEs terminate this agreement in advance, the agreement will remain effective until the VIEs are dissolved pursuant to PRC law.

Power of Attorney

Pursuant to each power of attorney, each shareholder of the VIEs have irrevocably appointed the WOFEs or any persons designated by the WOFEs to act as such shareholder's attorney-in-fact to exercise all shareholder rights under PRC law and the relevant articles of association, including but not limited to, appointing directors, supervisors and officers of the VIEs as well as the right to sell, transfer, pledge and dispose all or a portion of the shares held by Nominee Shareholder. The power of attorney will remain in force for ten years unless early terminated by the WOFEs. The term of the power of attorney can be extended at the WOFEs' option until the VIEs are dissolved in accordance with PRC law and regulation.

Exclusive Option Agreement

Pursuant to the exclusive option agreements, the Nominee Shareholders of the VIEs granted the WOFEs or any third party designated by the WOFEs the exclusive and irrevocable right to purchase from the Nominee Shareholders, to the extent permitted by PRC law and regulations, all or part of its respective equity interests in the VIEs for a purchase price equal to the registered capital. The Nominee Shareholders will then return the purchase price to the WOFEs or any third party designated by the WOFEs after the option is exercised. The WOFEs may transfer all or part of its option to a third party at its own option. The VIEs and the Nominee Shareholders agree that without prior written consent of the WOFEs, they may not transfer or otherwise dispose the equity interests or declare any dividend. The exclusive option agreement will remain effective until the WOFEs or any third party designated by the WOFEs acquire all equity interest of the VIEs.

FINVOLUTION GROUP
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(All amounts in thousands, except share data, or otherwise noted)

2. Summary of significant accounting policies (continued)

(b) Principle of consolidation (continued)

i) VIE Agreements that give the Company the power to direct the activities that most significantly impact the economic performance of the VIEs (continued)

Equity Pledge Agreement

Pursuant to relevant equity pledge agreements, each shareholder of the VIEs has pledged all of his or her equity interest held in the VIEs to the WOFEs to guarantee his or her obligations under the business operation agreement, the power of attorney, exclusive option agreement and the exclusive technology consulting and service agreement. In the event that the VIEs breach any obligations under these agreements, the WOFEs as the pledgee, will be entitled to request immediate disposal of the pledged equity interests and have priority to be compensated by the proceeds from the disposal of the pledged equity. The Nominee Shareholders may not dispose of the equity interests or create or permit any pledges which may have an adverse effect on the rights or benefits of the WOFEs without the prior written consent of the WOFEs. The relevant share pledge agreements will remain effective until the VIEs and its Nominee Shareholders discharge all of their obligations under the VIE Agreements and the pledgee consents such discharge in writing.

ii) VIE Agreement that give the Company the obligation to absorb losses or the right to receive benefits from the VIEs that could potentially be significant to the VIEs

Exclusive technology consulting and service agreement

Pursuant to the exclusive technology consulting and service agreements, WOFEs have the exclusive right to provide the VIEs and their subsidiaries (as designated in the agreement) with technical support, consulting services and other services. The WOFEs shall exclusively own any intellectual property arising from the performance of the agreement. During the term of this agreement, the VIEs and their designated subsidiaries may not accept any services covered by this agreement provided by any third party. The VIEs and their designated subsidiaries agree to pay service fees equal to 100% of the net profit generated or otherwise determined by the WOFEs. Except by mutual agreement upon early termination by parties in writing, the exclusive business cooperation agreement will remain effective until the VIEs and their designated subsidiaries are dissolved in accordance with PRC law and regulation.

Based on these contractual agreements, the Company believes that the VIEs as described above should be considered as VIEs because the equity holders do not have significant equity at risk nor do they have the characteristics of a controlling financial interest. Given that the Company, through the WOFEs, is the primary beneficiary of these VIEs, the Company believes that these VIEs should be consolidated based on the structure as described above.

FINVOLUTION GROUP
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2. Summary of significant accounting policies (continued)

(b) Principle of consolidation (continued)

The Group has established a series of trusts administrated by third-party trust companies. Since these trusts make loans solely to borrowers referred by the Group to provide returns to the trust beneficiaries, the Group has power to direct the activities of the trusts. In addition, the Group has the obligation to absorb losses or the right to receive benefits from the trusts that could potentially be significant to the trusts. As a result, the Group is considered the primary beneficiary of the trusts and their assets including loans receivable (Note 4), liabilities, results of operations and cash flows are consolidated under Accounting Standards Codification (“ASC”) 810.

The following table sets forth the assets, liabilities, results of operations and cash flows of the VIEs and their subsidiaries (including the consolidated trusts), which are included in the Group’s consolidated financial statements. Transactions between the VIEs (including the consolidated trusts) and their subsidiaries are eliminated in the balances presented below:

	As of December 31,	
	2024 RMB	2025 RMB
Cash and cash equivalents	2,343,220	1,692,232
Restricted cash	1,889,665	1,597,209
Short-term investments	1,653,847	1,918,459
Accounts receivable and contract assets	2,106,533	1,625,773
Quality assurance receivable	1,100,960	446,375
Property, equipment and software, net	489,931	480,684
Intangible assets	48,932	59,267
Right of use assets	23,995	27,768
Loans and receivables, net of credit loss allowance for loans receivables	3,499,667	5,597,757
Investments	972,952	924,062
Investment in subsidiaries	113,571	103,510
Deferred tax assets	2,042,468	2,540,051
Amounts due from Group companies	2,457,600	2,380,916
Amounts due from related parties	952	20,343
Prepaid expenses and other assets	816,569	699,202
Total assets	19,560,862	20,113,608
Deferred guarantee income	1,283,000	893,602
Liability from quality assurance commitment	2,591,768	1,796,856
Payroll and welfare payable	153,686	179,883
Taxes payable	561,475	43,657
Funds payable to investors of consolidated trusts	793,720	778,531
Contract liabilities	10,185	226
Deferred tax liabilities	112,604	238,650
Leasing liabilities	22,673	26,420
Amounts due to Group companies	7,533,335	8,963,834
Amounts due to related parties	130	5,809
Accrued expenses and other liabilities	878,881	967,257
Total liabilities	13,941,457	13,894,725

FINVOLUTION GROUP
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2. Summary of significant accounting policies (continued)

(b) Principle of consolidation (continued)

	For the years ended December 31,		
	2023 RMB	2024 RMB	2025 RMB
Third-party revenues	9,859,539	9,796,032	9,646,881
Group company revenues	498,189	391,348	584,994
Net revenues	10,357,728	10,187,380	10,231,875
Third-party expenses	(3,633,284)	(3,777,621)	(4,341,436)
Group company expenses	(3,542,004)	(2,414,323)	(3,011,047)
Related party expenses	-	-	(29,928)
Provision for accounts receivable and contract assets	(78,148)	(137,321)	(147,532)
Provision for loans receivable	(30,394)	(38,823)	(246,003)
Credit losses for quality assurance commitment	(3,557,174)	(3,584,954)	(1,981,868)
Impairment of goodwill and intangible assets	-	-	(265)
Total operating expenses	(10,841,004)	(9,953,042)	(9,758,079)
Income from subsidiaries	3,719	6,099	24
(Loss) income from operations	(479,557)	240,437	473,820
Net interest expenses and other income	232,074	197,116	96,419
(Loss) profit before income tax expense	(247,483)	437,553	570,239
Income tax expenses	(35,112)	(88,667)	(161,888)
Net (loss) profit	(282,595)	348,886	408,351
Net profit attributable to non-controlling interest shareholders	-	-	(19,946)
Net (loss) profit attributable to FinVolution Group's ordinary shareholders	(282,595)	348,886	388,405

	For the years ended December 31,		
	2023 RMB	2024 RMB	2025 RMB
Net cash (used in) provided by operating activities	(591,538)	2,917,058	(1,181,457)
Net cash provided by (used in) investing activities	1,293,373	(2,554,190)	(1,414,963)
Net cash (used in) provided by financing activities	(1,773,279)	261,705	1,652,976

FINVOLUTION GROUP
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(All amounts in thousands, except share data, or otherwise noted)

2. Summary of significant accounting policies (continued)

(b) Principle of consolidation (continued)

Under the VIE Arrangements, the Company has the power to direct activities of the VIEs and can have assets transferred out of the VIEs. Therefore, the Company considers that there is no asset in the VIEs that can be used only to settle obligations of the VIEs, except for registered capital and PRC statutory reserves, if any. As the VIEs are incorporated as limited liability company under the Company Law of the PRC, creditors of the VIEs do not have recourse to the general credit of the Company for any of the liabilities of the VIEs.

Currently there is no contractual arrangement which requires the Company to provide additional financial support to the VIEs. However, as the Company conducts its businesses primarily based on the licenses and approvals held by the VIEs and their subsidiaries, the Company has provided and will continue to provide financial support to the VIEs. VIEs' assets comprise both recognized and unrecognized revenue-producing assets. The recognized revenue-producing assets include leasehold improvements, computers and network equipment and purchased intangible assets which are recognized in the Company's consolidated balance sheet. The unrecognized revenue-producing assets mainly consist of copyrights, trademarks and operation licenses which are not recorded in the financial statements of VIEs as they did not meet the recognition criteria set in ASC 350-30-25.

(c) Business combinations and non-controlling interests

The Company accounts for its business combinations using the acquisition method of accounting in accordance with Accounting Standards Codification ("ASC") 805 "Business Combinations." The cost of an acquisition is measured as the aggregate of the acquisition date fair values of the assets transferred and liabilities incurred by the Company to the sellers and equity instruments issued. Transaction costs directly attributable to the acquisition are expensed as incurred. Identifiable assets and liabilities acquired or assumed are measured separately at their fair values as of the acquisition date, irrespective of the extent of any non-controlling interests. The excess of (i) the total costs of acquisition, fair value of the non-controlling interests and acquisition date fair value of any previously held equity interest in the acquiree over (ii) the fair value of the identifiable net assets of the acquiree is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognized directly in the consolidated income statements. During the measurement period, which can be up to one year from the acquisition date, the Company may record adjustments to the assets acquired and liabilities assumed with the corresponding offset to goodwill. Upon the conclusion of the measurement period or final determination of the values of assets acquired or liabilities assumed, whichever comes first, any subsequent adjustments are recorded to the consolidated statements of operations.

In a business combination achieved in stages, the Company re-measures the previously held equity interest in the acquiree immediately before obtaining control at its acquisition-date fair value and the re-measurement gain or loss, if any, is recognized in the consolidated income statements.

When there is a change in ownership interests that result in a loss of control of a subsidiary, the Company deconsolidates the subsidiary from the date control is lost. Any retained non-controlling investment in the former subsidiary is measured at fair value and is included in the calculation of the gain or loss upon deconsolidation of the subsidiary.

FINVOLUTION GROUP
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(All amounts in thousands, except share data, or otherwise noted)

2. Summary of significant accounting policies (continued)

(c) Business combinations and non-controlling interests (continued)

For the Company's majority-owned subsidiaries and the consolidated VIEs, a non-controlling interest is recognized to reflect the portion of their equity which is not attributable, directly or indirectly, to the Company. Consolidated net income (loss) on the consolidated income statements includes the net income (loss) attributable to non-controlling interests and mezzanine equity holders when applicable. Net income (loss) attributable to mezzanine equity holders is included in net income (loss) attributable to non-controlling interests on the consolidated income statements, while it is excluded from the consolidated statements of changes in shareholders' equity. The cumulative results of operations attributable to non-controlling interests, along with adjustments for share-based compensation expense arising from outstanding share-based awards relating to subsidiaries' shares, are also recorded as non-controlling interests in the Company's consolidated balance sheets. Cash flows related to transactions with non-controlling interests are presented under financing activities in the consolidated statements of cash flows.

(d) Use of estimates

The preparation of consolidated financial statements in accordance with U.S. GAAP requires management to make estimates and assumptions that affect the amounts reported and disclosed in the consolidated financial statements and accompanying notes.

Financial statements amounts that reflect accounting estimates and assumptions include revenue recognition, measurement for provisions and liabilities in scope for ASC Topic 326 including credit loss provision for quality assurance receivables, loan receivables and accounts receivable and contract assets as well as liability from quality assurance commitment, valuation allowance for deferred tax assets, determination of uncertain tax positions, and valuation of share-based awards. Such accounting estimates are impacted by judgments and assumptions used in the preparation of the Group's consolidated financial statements, and actual results could differ materially from these estimates. Changes in estimates are recorded in the period they are identified.

(e) Foreign currency and foreign currency translation

The Group uses Renminbi ("RMB") as its reporting currency. The US\$ is the functional currency of the Group's entities incorporated in Cayman Islands and Hong Kong, the Indonesian Rupiah (IDR Rp) is the functional currency of the Group's Indonesia subsidiaries, the Philippines Peso (PHP) is the functional currency of the Group's Philippines subsidiaries and the RMB is the functional currency of the Group's PRC subsidiaries.

Transactions denominated in other than the functional currencies are re-measured into the functional currency of the entity at the exchange rates prevailing on the transaction dates. Financial assets and liabilities denominated in other than the functional currency are re-measured at the balance sheet date exchange rate. The resulting exchange differences are recorded in the consolidated statements of comprehensive income.

The financial statements of the Group are translated from the functional currency to the reporting currency, RMB assets and liabilities of the subsidiaries are translated into RMB using the exchange rate in effect at each balance sheet date. Income and expenses items are generally translated at the average exchange rates prevailing during the fiscal year. Foreign currency translation adjustments arising from these are accumulated as a separate component of shareholders' equity on the consolidated financial statements. The exchange rates used for translation on December 31, 2024 and 2025 were US\$1.00= RMB7.1884 and RMB7.0288, IDR Rp1.00= RMB0.000451 and RMB0.000417, PHP1.00= RMB0.1243 and PHP1.00= RMB0.1195 respectively, representing the index rates stipulated by the People's Bank of China.

FINVOLUTION GROUP
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(All amounts in thousands, except share data, or otherwise noted)

2. Summary of significant accounting policies (continued)

(f) Convenience translation

Translations of balances in the Group's consolidated balance sheet, consolidated statement of operations and comprehensive income and consolidated statement of cash flows from RMB into US\$ as of and for year ended December 31, 2025 are solely for the convenience of the readers and were calculated at the rate of US\$1.00=RMB6.9931, representing the noon buying rate set forth in the H.10 statistical release of the U.S. Federal Reserve Board on December 31, 2024. No representation is made that the RMB amounts could have been, or could be, converted, realized or settled into US\$ at that rate on December 31, 2025, or at any other rate.

(g) Significant risks and uncertainties

Risk of concentration

As of December 31, 2024 and 2025, the majority of the Group's cash and cash equivalents, restricted cash and short-term investments were held in major financial institutions located in the PRC, Indonesia and the Philippines, which management considers to be of high credit quality. Accounts receivable and contract assets are generally unsecured and denominated in RMB, and are derived from revenues earned from operations arising primarily in the PRC. No individual customer accounted for more than 10% of net revenues for the years ended December 31, 2023, 2024 and 2025. No individual customer accounted for more than 10% of accounts receivable and contract assets as of December 31, 2024 and 2025. As of December 31, 2025, approximately 85% of the Group's cash and cash equivalents, restricted cash and short-term investments were held in the financial institutions in the PRC and the remaining cash and cash equivalents and restricted cash were held in financial institutions outside the PRC.

Risk of uncertainties

In October 2019, the China Banking and Insurance Regulatory Commission, together with eight other regulatory agencies jointly promulgated the Supplemental Rules to the Administration of Financing Guarantee Companies ("Circular 37"), which provides that any entity providing client referral or credit assessment services to the lending institutions may not provide financing guarantee services in a direct or a disguised form without the regulatory approval. If any entity operates financing guarantee business or provide financing guarantee services in a disguised form without appropriate approval, its business operations will be banned by the regulatory authorities and it will be required to properly settle existing business. Such entity might also be subject to penalties including fines and confiscation of illegal gains if applicable. In the Group's collaboration with institutional funding partners, in order to attract and maintain such business relationship, the Group currently provides quality assurance commitment mainly through (i) repurchase of default loans from third-party guarantee companies which provide guarantee for the loans from institutional funding partners and (ii) setting aside security deposits with third-party guarantee companies to ensure the Group has enough cash to perform its repurchase obligation if the borrowers introduced by the Group default. Due to the lack of legal interpretation for financing guarantee in a disguised form, there is uncertainty related to whether such quality assurance commitment provided to institutional funding partners constitutes a financing guarantee in a disguised form. If the quality assurance commitment provided by the Group were determined to be a financing guarantee in a disguised form, the Group's business, financial condition, results of operations and liquidity will be materially and adversely affected.

In order to reduce the compliance risk under Circular 37, the Group incorporated three licensed financial guarantee companies since 2019, which, since the incorporation, provide direct guarantees for certain loans funded by the institutional funding partners. The Group increased the registered capital of the guarantee subsidiaries from RMB1.9 billion as of December 31, 2020 to RMB2.9 billion as of December 31, 2024 and 2025. The Group will continue its effort to increase its guarantee capability by increasing the capital of its financial guarantee subsidiaries to continue reducing its risk of noncompliance.

FINVOLUTION GROUP
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(All amounts in thousands, except share data, or otherwise noted)

2. Summary of significant accounting policies (continued)

(h) Cash and cash equivalents

Cash and cash equivalents represent cash on hand, demand deposits placed with banks or other financial institutions, which are unrestricted to withdrawal or use. As of December 31, 2024 and 2025, the Group did not have any cash equivalents.

(i) Restricted cash

Restricted cash includes:

- (i) Cash held in escrow accounts that is jointly managed by the Group and institutional funding partners. As of December 31, 2024 and 2025, the restricted cash managed by the Group and institutional funding partners amounted to RMB864,440 and RMB810,959, respectively.
- (ii) Cash received via consolidated trusts that has not yet been distributed. As of December 31, 2024 and 2025, the restricted cash related to cash not yet distributed amounted to RMB701,928 and RMB600,346, respectively.
- (iii) Cash received from borrowers that has not yet been disbursed to institutional funding partners. As of December 31, 2024 and 2025, the restricted cash held as related to cash not yet disbursed amounted to RMB396,523 and RMB381,154, respectively.

The rest of the balance in restricted cash also includes cash received from investors or borrowers that has not yet been disbursed due to a settlement time lag.

(j) Short-term Investments

Short-term investments consist of investments in time deposits and wealth management products. Time deposits can be withdrawn at any time in full before maturity, and the interest rate would be different from the original agreed rate. The wealth management products are certain financial products with variable interest rates and principal not guaranteed with certain financial institutions. As of December 31, 2024 and 2025, the balance of short-term investments are RMB2,832,382 and RMB3,015,226, respectively, of which, the restricted balances are RMB412,974 and RMB396,165, respectively.

Realized and unrealized gain related to the short-term investments is recorded as other income in the consolidated statements of comprehensive income. RMB110,831, RMB104,842 and RMB94,694 was recognized for the years ended December 31, 2023, 2024 and 2025, respectively.

(k) Accounts receivable, contract assets and credit loss allowance

Accounts receivable and contract assets is related to the facilitation and post-facilitation service in relation to loans facilitated by the Group. 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 only recognizes accounts receivable and contract assets to the extent that the Group believes it is probable that it will collect substantially all of the consideration to which it will be entitled to in exchange for the services transferred to the customer.

Accounts receivable and contract assets is stated at the historical carrying amount net of write-offs and credit risk allowance. The Group establishes a credit loss allowance based on expectations of lifetime credit losses based on historical default experience, known or inherent risks in the portfolio, current economic conditions and macroeconomics forecasts as well as other factors surrounding the credit risk of borrowers.

FINVOLUTION GROUP
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2. Summary of significant accounting policies (continued)

(I) Investments

The Group has classified its investments into equity method investments and non-marketable equity investments.

The Group applies equity method in accounting for its investments in entities in which the Group has the ability to exercise significant influence but does not have control and the investments are in either common stock or in-substance common stock. Unrealized gains on transactions between the Group and an affiliated entity are eliminated to the extent of the Group's interest in the affiliated entity, unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. The Group accounts for private equity funds using the equity method of accounting unless the Group's interest is so minor that the Group may have virtually no influence over partnership operating and financial policies.

Non-marketable equity investments are investments in privately held companies without readily determinable market values. They are measured at cost minus impairments, if any, plus or minus changes resulting from observable price changes in orderly transactions for identical or a similar investment of the same issuer. The changes in the fair value of non-marketable equity investments are recognized in the consolidated statement of comprehensive income.

The following table sets forth the investments that the Group holds as of December 31, 2024 and 2025, respectively.

	As of December 31,	
	2024	2025
Equity method investments	193,062	141,492
Non-marketable equity investments	979,941	1,000,324
	1,173,003	1,141,816

Equity method investments

For the years ended December 31, 2023, 2024 and 2025, the Group made investments in several private equity funds and accounted these investments as equity method investments as the Group has ability to significantly influence the operations or financial activities of the investees. For the years ended December 31, 2023, 2024 and 2025, no impairment loss was recognized for equity method investments.

FINVOLUTION GROUP
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2. Summary of significant accounting policies (continued)

(l) Investments (continued)

Non-marketable equity investments

For the years ended December 31, 2023, 2024 and 2025, the Group primarily made investments of no more than 10% of equity interest in several non-listed companies. These investments were accounted for as non-marketable equity investment using measurement alternative because these investments do not have readily determinable fair value and the Group does not have significant influence over the investees. For the years ended December 31, 2023, 2024 and 2025, the Group recognized an impairment loss of RMB2,479, nil and nil for non-marketable equity investments, respectively.

(m) Fair value measurement

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.

The established fair value hierarchy requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. A financial instrument's categorization within the fair value hierarchy is based upon the lowest level of input that is significant to the fair value measurement.

The three levels of inputs that may be used to measure fair value include:

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

Level 2: Observable, market-based inputs, other than quoted prices, in active markets for identical assets or liabilities.

Level 3: Unobservable inputs to the valuation methodology that are significant to the measurement of the fair value of the assets or liabilities.

Accounting guidance also describes three main approaches to measuring the fair value of assets and liabilities: (1) market approach; (2) income approach and (3) cost approach. The market approach uses prices and other relevant information generated from market transactions involving identical or comparable assets or liabilities. The income approach uses valuation techniques to convert future amounts to a single present value amount. The measurement is based on the value indicated by current market expectations about those future amounts. The cost approach is based on the amount that would currently be required to replace an asset.

The Group does not have any non-financial assets or liabilities that are recognized or disclosed at fair value in the financial statements on a recurring basis.

The Group's financial instruments consist principally of cash and cash equivalents, restricted cash, short-term investments, quality assurance receivable, loans receivable, accounts receivable, quality assurance payable, deferred guarantee income, liability from quality assurance commitment, short-term borrowings and other liabilities.

Short-term investments

The short-term investments consist of time deposits and wealth management products. The short-term investments are measured at fair value.

Other financial instruments

The carrying amounts of financial instruments other than short-term investments, approximate their fair values due to the short-term maturities of these instruments.

FINVOLUTION GROUP
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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2. Summary of significant accounting policies (continued)

(m) Fair value measurement (continued)

Assets and liabilities measured at fair value on a recurring basis

The following table sets forth the Group's assets and liabilities that are measured at fair value on a recurring basis and are categorized using the fair value hierarchy:

December 31, 2024

	<u>Level 1 Inputs</u> RMB	<u>Level 2 Inputs</u> RMB	<u>Level 3 Inputs</u> RMB	<u>Balance at Fair value</u> RMB
Assets				
Short-term investments	-	2,832,382	-	2,832,382

December 31, 2025

	<u>Level 1 Inputs</u> RMB	<u>Level 2 Inputs</u> RMB	<u>Level 3 Inputs</u> RMB	<u>Balance at Fair value</u> RMB
Assets				
Short-term investments	-	3,015,226	-	3,015,226

The Group values its short-term investments held in certain banks using quoted rate of return or quoted subscription/redemption prices published by the banks for these products, and accordingly, the Group classifies such short-term investments as Level 2 within the fair value hierarchy based on the nature of the fair value inputs.

Assets and liabilities measured at fair value on a non-recurring basis

Non-marketable equity investments are measured at fair value on a non-recurring basis. The following table sets forth the unrealized gains and losses from remeasurement (referred to as upward or downward adjustments) recorded as adjustments to the carrying value of non-marketable equity investments held as of December 31, 2023, 2024 and 2025 based on the observable price in an orderly transaction for the same or similar security of the same issuers:

	<u>For the years ended December 31,</u>		
	<u>2023</u>	<u>2024</u>	<u>2025</u>
Upward adjustments	-	-	-
Downward adjustments (including impairment)	(2,479)	-	-
Total unrealized gain (losses)	(2,479)	-	-

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2. Summary of significant accounting policies (continued)

(m) Fair value measurement (continued)

Assets and liabilities measured at fair value on a non-recurring basis (continued)

The following table sets forth the total carrying value of the Group's non-marketable equity investments at fair value on a non-recurring basis held as of December 31, 2024 and 2025 including cumulative unrealized upward and downward adjustments made to the initial cost basis of the securities:

	As of December 31,	
	2024	2025
Initial cost basis	1,015,701	1,036,084
Upward adjustments	3,319	3,319
Downward adjustments (including impairment)	(39,079)	(39,079)
Total carrying value at the end of the period	<u>979,941</u>	<u>1,000,324</u>

(n) Net interest income

The Group, through consolidated trust plans (See Note 4), subsidiaries and consolidated VIEs, originate and hold loans.

Interest on loans receivable is accrued based on the contractual interest rates of the loan as earned. Accrual of interest is generally discontinued when reasonable doubt exists as to the full, timely collection of interest or principal. When a loan is discontinued from interest accrual, the Group stops accruing interest and reverses all accrued but unpaid interest as of such date.

As the Group is the primary beneficiary of the trusts, the return of the other trust parties is recorded as interest expense. The interest expense is accrued based on the expected rate of return during the contractual term of the alternative investment products and the trusts.

The net interest income recorded in the consolidated statement of comprehensive income related to the loans originated by the Group recorded for the years ended December 31, 2023, 2024 and 2025 are as follows:

	For the years ended December 31,		
	2023	2024	2025
	RMB	RMB	RMB
Interest income	1,102,493	873,148	1,373,377
Less: Interest expense	(53,114)	(19,369)	(36,918)
Net interest income	<u>1,049,379</u>	<u>853,779</u>	<u>1,336,459</u>

(o) Property and equipment, net

Property and equipment are stated at cost less accumulated depreciation and amortization. Property and equipment are depreciated over the estimated useful lives of the assets using the straight-line method taking into account the estimated residual value, if any. The following table sets forth the estimated useful life and residual value:

Category	Estimated useful life	Residual value
Office building	30 years	5%
Office building improvement	10 years	Nil
Office furniture and equipment	3-5 years	5%
Computer and electronic equipment	3-5 years	5%
Leasehold improvement	shorter of remaining lease period or estimated useful life	Nil
Software	1-5 years	Nil

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2. Summary of significant accounting policies (continued)

(o) Property and equipment, net (continued)

Expenditures for maintenance and repairs are expensed as incurred. Upon retirement or sale, the cost of assets disposed of and the related accumulated depreciation amortization are removed from the accounts and any resulting gain or loss is recognized in consolidated statement of comprehensive income.

(p) Intangible assets

As of December 31, 2025, the intangible assets held by the Group includes Australian credit license, micro-lending license, factoring license, multi-finance license, collection license and insurance brokerage license which have indefinite useful life. The Group evaluates these indefinite-lived intangible assets each reporting period to determine whether events and circumstances continue to support an indefinite useful life. If an intangible asset that is not being amortized is subsequently determined to have a finite useful life, the asset is tested for impairment. Impairment losses of long-lived assets related to intangible assets recognized for the years ended December 31, 2023, 2024 and 2025 were nil, nil and RMB265 respectively.

(q) Goodwill

Goodwill represents the excess of the purchase consideration over the fair value of the identifiable tangible and intangible assets acquired and liabilities assumed of the acquired entity as a result of the Company's acquisitions of interests in its subsidiaries and the consolidated VIEs. Goodwill is not amortized but is tested for impairment in accordance with ASC Subtopic 350-20 ("ASC 350-20"), Intangibles - Goodwill and Other: Goodwill on an annual basis, or more frequently if events or changes in circumstances indicate that it might be impaired. The guidance provides option that the Company may first assess qualitative factors to determine whether it is necessary to perform quantitative goodwill impairment test. In the qualitative assessment, the Company considers primary factors such as industry and market considerations, overall financial performance of the reporting unit, and other specific information related to the operations. Based on the qualitative assessment, if it is more likely than not that the fair value of each reporting unit is less than the carrying amount, the quantitative impairment test is performed. The quantitative impairment test consists of a comparison of the fair value of each reporting unit with its carrying amount, including goodwill. If the carrying amount of a reporting unit exceeds its fair value, an impairment loss equal to the difference between the fair value and the carrying value is recognized. Application of a goodwill impairment test requires significant management judgment, including the identification of reporting units, assigning assets and liabilities to reporting units, assigning goodwill to reporting units, and determining the fair value of each reporting unit. Changes in these estimates and assumptions could materially affect the determination of fair value for each reporting unit. During the year ended 2025, the Company concluded that the carrying amounts of certain reporting unit exceeded its respective fair values and recorded impairment losses of RMB50,411. Considering the less than expected performance related to a certain micro-lending company acquired by the Group in 2017, the Company performed a quantitative impairment test on the reporting unit and provided a full impairment charge against the balance of goodwill. Consequently, as of December 31, 2025, the carrying value of the Group's goodwill was RMB 79,759, in relation to the business combination as disclosed in Note 3.

(r) Impairment of long-lived assets other than goodwill

The Group evaluates its long-lived assets other than goodwill and intangible assets with indefinite useful life for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability is measured by comparison of the carrying amounts to the expected future undiscounted cash flows attributable to these assets. If it is determined that an asset is not recoverable, an impairment loss is recorded in the amount by which the carrying amount of the assets exceeds the expected discounted cash flows arising from those assets.

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2. Summary of significant accounting policies (continued)

(s) Quality assurance obligations

For off-balance sheet loans funded by institutional funding partners, the Group provides quality assurance commitment to compensate them in the event of borrowers' default in the form of 1) guarantee provided by third-party financial guarantee companies or financial guarantee company within the Group; or 2) insurance provided by third-party insurance company, if the insurance coverage is exhausted, a third party guarantee company will repay the institutional funding partner in full. In either cases, after the third-party guarantee companies repay the overdue amount, the Group is obligated to compensate the third-party guarantee companies at an amount equal to the repayment made to the institutional funding partners. In certain cases, the Group is also required to provide a security deposit at an amount equal to a certain percentage of the outstanding balance of loans the institutional funding partners funded to the borrowers referred by the Group. The Group might also be required to replenish such security deposit in the event the security deposit is used by the institutional funding partners to make up for the loss they incurred.

Deferred guarantee income and liability from quality assurance commitment

In accordance with ASC Topic 326, deferred guarantee income represents the stand ready component of the guarantee contracts that are determined in accordance with ASC Topic 460. At initial recognition, deferred guarantee income is recorded at the fair value of the guarantee contract. Subsequent to initial recognition, deferred guarantee income is released systematically as guarantee income in revenue in the consolidated statement of comprehensive income as the Group is released from the underlying risk.

Liability from quality assurance commitment represents the expected life time credit losses of the guarantee contract that are determined in accordance with ASC Topic 326, which are initially recorded separate from and in addition to deferred guarantee income at the amount equal to the expected lifetime credit losses of the underlying loans covered by the quality assurance obligation. The expected credit losses are determined based on historical default experience, known and inherent risks in the portfolio, current economic conditions and future macroeconomic forecasts as well as other factors surrounding the credit risk of borrowers. The liability is calculated at portfolio-level since the loan portfolio is typically of smaller balance homogenous loans and is collectively evaluated for impairment. Subsequent to initial recognition, the expected credit losses are adjusted for changes in expected lifetime credit losses. The initial recognition and adjustments made to liability from quality assurance commitment are recorded as provision for quality assurance commitment in the consolidated statement of comprehensive income. The table below sets forth the movement of deferred guarantee income and liability from quality assurance commitment for the years ended December 31, 2023, 2024 and 2025:

Deferred guarantee income:	For the years ended December 31,		
	2023	2024	2025
Opening balance	1,805,164	1,882,036	1,515,950
Newly undertaken quality assurance obligations	4,555,867	4,719,210	3,727,988
Release of quality assurance obligations upon repayment	(4,478,995)	(5,085,296)	(4,124,934)
Ending balance	<u>1,882,036</u>	<u>1,515,950</u>	<u>1,119,004</u>
Liability from quality assurance commitment:	For the years ended December 31,		
	2023	2024	2025
Opening balance	3,555,618	3,306,132	2,964,116
Provision for credit losses of quality assurance obligations	4,068,436	4,208,559	3,006,918
Payouts during the year	(11,440,275)	(11,035,006)	(7,735,108)
Recoveries during the year	7,122,353	6,484,431	4,338,916
Ending balance	<u>3,306,132</u>	<u>2,964,116</u>	<u>2,574,842</u>

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2. Summary of significant accounting policies (continued)

(s) Quality assurance obligations (continued)

As of December 31, 2025, the maximum potential future payments, including all principal and interests covered by the quality assurance obligations were RMB29,676,722.

Quality assurance receivable

A quality assurance receivable is recognized at loan inception at its fair value on a loan-by-loan basis. The Group establishes a credit loss allowance based on expectations of lifetime credit losses based on historical default experience, known or inherent risks in the portfolio, current economic conditions and macroeconomics forecasts as well as other factors surrounding the credit risk of borrowers.

The following table presents the Group's quality assurance receivable as of December 31, 2024 and 2025:

	For the years ended December 31,	
	2024	2025
Quality assurance receivable	2,066,540	1,896,659
Allowance for credit losses for quality assurance receivable	(426,949)	(581,475)
Quality assurance receivable, net	1,639,591	1,315,184

The Group evaluates expected credit losses of quality assurance receivable on a collective basis based on the type of borrowers and delinquency pattern. Credit quality indicators are updated quarterly, and the credit quality of any given customer can change during the life of the portfolio. The following table presents quality assurance receivables based on type of borrowers and delinquency as of December 31, 2024 and 2025:

	1-89 days past due	90-119 days past due	120-149 days past due	150-179 days past due	Total past due	Current	Total quality assurance receivable
December 31, 2024							
New borrowers	15,289	1,980	1,878	1,990	21,137	545,255	566,392
Repeat borrowers	44,905	10,349	10,177	10,422	75,853	1,424,295	1,500,148
Total	60,194	12,329	12,055	12,412	96,990	1,969,550	2,066,540
December 31, 2025							
New borrowers	15,447	2,647	2,153	2,004	22,251	619,165	641,416
Repeat borrowers	48,351	11,554	9,395	8,372	77,672	1,177,571	1,255,243
Total	63,798	14,201	11,548	10,376	99,923	1,796,736	1,896,659

As the average tenor of loans facilitated on domestic and overseas platform are around 8.4 months and 90.9 days, respectively, substantially all of the quality assurance receivable balance as of December 31, 2025 are originated in 2025.

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2. Summary of significant accounting policies (continued)

(s) Quality assurance obligations (continued)

The following table sets forth the movement in the allowance for credit losses for quality assurance receivable as of December 31, 2024 and 2025, respectively:

	For the years ended December 31,		
	2023	2024	2025
Beginning balance	374,304	529,392	426,949
Provision for credit losses	354,366	378,695	455,466
Write-offs	(199,278)	(481,138)	(300,940)
Ending balance	<u>529,392</u>	<u>426,949</u>	<u>581,475</u>

(t) Bank borrowings and unsecured senior notes

Bank borrowings and unsecured senior notes are recognized initially at fair value, net of upfront fees, debt discounts or premiums, debt issuance costs and other incidental fees. Convertible unsecured senior notes are accounted for in its entirety as liabilities, and the embedded conversion feature is not required to be accounted for separately under ASC 815. Upfront fees, debt discounts or premiums, debt issuance costs and other incidental fees are recorded as a reduction of the proceeds received and the related accretion is recorded as interest expense in the consolidated income statements over the estimated term of the facilities using the effective interest method.

(u) Revenue recognition

The Group engages primarily in operating an online consumer finance marketplace by providing an online platform which matches borrowers with institutional funding partners, and assisting facilitation of loans to institutional funding partners on certain third-party online platforms. The Group determines that it is not the legal lender or legal borrower in the above process. Therefore, the Group generally does not record loan receivable and payable arising from the loans between institutional funding partners and borrowers on its balance sheets other than consolidated trusts (Note 4). Revenue comprises the fair value of the consideration received or receivable for the provision of services in the ordinary course of the Group's activities and is recorded net of value-added tax ("VAT").

Revenue recognition policies for each type of services under ASC Topic 606 are discussed as follows:

Revenue from Single Loans

In accordance with a series contracts entered into among the borrowers, institutional funding partners and the Group, the Group generally provides the following services to the borrowers and institutional funding partners:

- The Group operates a platform that enables borrowers and institutional funding partners to exchange information;
- The Group collects information from borrowers, conduct credit assessment and match borrowers with institutional funding partners;
- Once borrowers and institutional funding partners are matched, the Group is responsible for collect and transfer funds between borrowers and institutional funding partners;
- The Group will also provide institutional funding partners with collection services upon borrowers' default;
- On monthly basis, the borrowers are obligated to pay transaction service fee and quality assurance contribution/guarantee fee on top of the principle and interest payment. In the event of early prepayment, the service fee and quality assurance contribution are adjusted accordingly.

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2. Summary of significant accounting policies (continued)

(u) Revenue recognition (continued)

The Group determines its customers to be both institutional funding partners and borrowers. The Group charges the transaction service fee as part of the borrowers' monthly repayment. In accordance with the relevant guidance in ASC Topic 606, the amounts associated with the quality assurance obligation is within the scope of ASC Topic 460 and should be accounted for in accordance with the provisions of that Topic. The services not within the scope of other Topics should be accounted for in accordance with the remaining provisions of ASC Topic 606 and the applicable revenue recognition guidance. The Group considers loan facilitation services (covering matching of institutional funding partners to borrowers and facilitating the execution of loan agreement between institutional funding partners and borrowers) and post-facilitation services (covering cash processing services and collection services) as two distinctive performance obligations in accordance with ASC Topic 606. The transaction price is first allocated to the quality assurance commitment and quality assurance program, if any, which is recorded at fair value in accordance with ASC Topic 460. Then the remaining considerations are allocated to the loan facilitation and post-facilitation services using their relative standalone selling prices. When estimating total consideration, the Group considers early termination scenarios based on historical early payment and other termination scenarios as the Group cannot receive the full contractual service fee amount under early termination, given the service fee is collected on a pro-rata basis upon early loan termination. Such service fee is determined to be variable consideration that meets the "probable of not reversing" threshold. As such, the Group recognizes revenue related to early termination based on its best estimate and true up adjustments are made from time to time. The Group does not have observable standalone selling price for the loan facilitation services or post-facilitation services because it does not provide loan facilitation services or post-facilitation services on a standalone basis in similar circumstances to similar customers. 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 management judgment. The Group uses an expected cost plus margin approach to estimate the standalone selling prices of loan facilitation services and post facilitation services as the basis of revenue allocation. When estimating the selling prices, the Group makes certain assumptions mainly including estimates of the cost of providing the services.

The transaction price allocated to loan facilitation is recognized as revenue upon execution of loan agreements between institutional funding partners and borrowers; the consideration allocated to post-facilitation services is recognized over the period of the loan on a straight line method, which approximates the pattern of when the underlying services are performed.

In addition to transaction service fee, the Group also receives fees on future events, such as collection fees. For loans with quality assurance obligation, as the quality assurance will compensate the institutional funding partners should the borrowers are delinquent, the collection fee is considered a variable consideration for the loan facilitation and post-facilitation performance obligations and therefore is included in the total transaction price which is allocated to these two performance obligations based on their relative standalone selling price. The collection fee is only probable of not reversing upon successful collection and as such is not included in the transaction price until then.

For the off-balance sheet loans funded by certain other institutional funding partners, where the Group does not provide credit enhancement to the institutional funding partners for the borrowers referred by the Group and takes no credit risks of borrowers in respect of principal and interests, the Group charges the service fees for loan facilitation at predetermined rates based on the performance of the underlying off-balance sheet loans. Such service fee is determined to be variable consideration that meets the "probable of not reversing" threshold. As such, the Group recognizes revenue related to such services based on its best estimate and true up adjustments are made when service fee amounts are confirmed by institutional funding partners.

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2. Summary of significant accounting policies (continued)

(u) Revenue recognition (continued)

Other revenue

Other revenue primarily includes borrower referral fees and other valued-added services. The Group refers borrowers that do not meet the Group's risk appetite to other lending platforms, and charges a referral fee based on the loan origination volume, cost per-click or other performance based criteria. Such fee is recognized as other revenue upon loan origination, each click or other performance obligation is satisfied.

Revenue disaggregation analysis

The following table sets forth the Group's operating revenue from different service types:

	For the years ended December 31,					
	2023		2024		2025	
	With quality assurance obligation	Without quality assurance obligation	With quality assurance obligation	Without quality assurance obligation	With quality assurance obligation	Without quality assurance obligation
Loan facilitation service fees	4,187,976	332,528	3,951,236	743,144	3,601,135	1,575,322
Post-facilitation service fees	1,869,214	100,491	1,610,744	129,497	1,155,562	474,215
Other revenue						
-borrowers referral fee	-	220,480	-	269,536	-	226,471
-others	101,293	207,089	115,538	307,054	101,930	973,455
	<u>6,158,483</u>	<u>860,588</u>	<u>5,677,518</u>	<u>1,449,231</u>	<u>4,858,627</u>	<u>3,249,463</u>

Interest income (Note 2(n)) and guarantee income (Note 2(s)) is not included in the table above as it is not accounted for under ASC Topic 606.

Contract balances

Contract assets represent the Group's right to consideration in exchange for facilitation and post-facilitation service that the Company has transferred to the customer before payment is due. Contract liabilities represent the Group's obligation to transfer facilitation and post-facilitation service to the customer due to received payment. The timing of revenue recognition, scheduled payments, and cash collections results in contract assets and contract liabilities.

Practical expedient and exemptions

The Group generally expenses sales commission when incurred for loans with a term for one year or less. These costs are recorded within sales and marketing expenses.

The Group does not disclose the value of unsatisfied performance obligation as most of the loans facilitated through its platform with an original term of one year or less.

(v) Origination, servicing expenses and other cost of revenue

Origination, servicing expenses and other cost of revenue primarily consist of salaries and benefits of employees who facilitate loan origination, which include performing risk pricing, debt-collection service, customer service data processing, and data analysis, collection expenses for outsourced services, and other cost of revenue.

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2. Summary of significant accounting policies (continued)

(w) Sales and marketing expenses

Sales and marketing expenses consist primarily of advertising and online marketing promotion expenses. Advertising and online marketing expenses, amounting to approximately RMB1,871,392, RMB1,994,134 and RMB2,183,896 for the years ended December 31, 2023, 2024 and 2025, respectively, are charged to the consolidated statements of comprehensive income as incurred.

(x) General and administrative expenses

General and administrative expenses consist primarily of salaries and benefits for general management, finance and administrative personnel, share-based compensation expenses, rental, professional service fees and other expenses.

(y) Research and development expenses

Research and development expenses consist primarily of payroll and related expenses for IT professionals involved in developing technology platform and website, server and other equipment depreciation, bandwidth and data center costs. All research and development costs have been expensed as incurred as the costs qualifying for capitalization have been insignificant.

(z) Share-based compensation

The Group follows ASC Topic 718, which requires all share-based payments to employees and directors, including grants of employee stock options, to be recognized as share-based compensation expense in the financial statements over the vesting period of the award based on the fair value of the award determined at the grant date. Under ASC Topic 718, the number of share-based awards for which the service is not expected to be rendered for the requisite period should be estimated, and the related compensation cost is not recorded for that number of awards.

In accordance with ASC Topic 718, the Group recognize share-based compensation expenses, net of a forfeiture rate, using the straight-line method for awards with services conditions only, and using the graded-vesting attribution method for awards with graded vesting features and performance conditions. Compensation cost is accrued if it is probable that a performance condition will be achieved.

(aa) Leases

The Group determines if an arrangement is a lease or contains a lease at inception. Operating leases are included in operating lease right-of-use ("ROU") assets and operating lease liabilities, in the Group's consolidated balance sheets. The Group does not have any finance leases for the years ended December 31, 2023, 2024 and 2025.

ROU assets represent the Group's right to use an underlying asset for the lease term and lease liabilities represent the Group's obligation to make lease payments arising from the lease. Operating lease ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. When determining the lease term, the Group includes options to extend or terminate the lease when it is reasonably certain that it will exercise that option, if any. As the Group's leases do not provide an implicit rate, the Group uses its incremental borrowing rate, which it calculates based on the credit quality of the Group and by comparing interest rates available in the market for similar borrowings, and adjusting this amount based on the impact of collateral over the term of each lease.

The Group has elected to adopt the following lease practical expedients: (i) elect for each lease to not separate non-lease components from lease components and instead to account for each separate lease component and the non-lease components associated with that lease component as a single lease component; (ii) for leases that have lease terms of 12 months or less and does not include a purchase option that is reasonably certain to exercise, the Group elected not to apply ASC 842 recognition requirements.

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2. Summary of significant accounting policies (continued)

(ab) Government grants and subsidy income

The Group receives government grants and subsidies in the PRC from various levels of local governments from time to time which are granted for general corporate purposes and to support its ongoing operations in the region. The grants are determined at the discretion of the relevant government authority and there are no restrictions on their use. The government subsidies are recorded as other income in the consolidated statement of comprehensive income in the period the cash is received. The government grants received by the Group amounting to RMB164,907, RMB150,685 and RMB118,141 for the years ended December 31, 2023, 2024 and 2025, respectively.

(ac) Taxation

Current income taxes are provided on the basis of net income for financial reporting purposes, adjusted for income and expense items which are not assessable or deductible for income tax purposes, in accordance with the regulations of the relevant tax jurisdictions.

Deferred income taxes are recognized for temporary differences between the tax bases of assets and liabilities and their reported amounts in the consolidated financial statements, net operating loss carry forwards and credits. Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion or all of the deferred tax assets will not be realized. Current income taxes are provided in accordance with the laws of the relevant taxing authorities. Deferred tax assets and liabilities are measured using enacted rates expected to apply to taxable income in which temporary differences are expected to be received or settled. The effect on deferred tax assets and liabilities of changes in tax rates is recognized in the statement of comprehensive income in the period of the enactment of the change.

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

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

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2. Summary of significant accounting policies (continued)

(ad) Net profit per share

Basic net profit per share is computed by dividing net profit attributable to FinVolution Group's ordinary shareholders by the weighted average number of ordinary shares outstanding during the period using the two-class method. Under the two-class method, net profit is allocated between ordinary shares and other participating securities based on their participating rights. Net loss is not allocated to other participating securities if based on their contractual terms they are not obligated to share in the losses. Diluted net profit per share is calculated by dividing net profit attributable to FinVolution Group's ordinary shareholders by the weighted average number of ordinary and dilutive ordinary equivalent shares outstanding during the period. Ordinary equivalent shares consist of shares issuable upon the conversion of the preferred shares using the if-converted method and shares issuable upon the exercise of share options using the treasury stock method. Ordinary equivalent shares are not included in the denominator of the diluted loss per share calculation when inclusion of such shares would be anti-dilutive.

(ae) Segment reporting

The Group's chief operating decision maker (CODM), the Chief Executive Officer, reviews the consolidated results when making decisions about allocating resources and assessing performance of the Group as a whole and therefore, the Group only has one reportable segment at the consolidated level. Accordingly, the Group's CODM uses consolidated net profit to measure segment profit or loss, allocate resources and assess performance. Significant segment expenses are the same as these presented under operating expenses in the consolidated statements of comprehensive income, and the difference between net revenue less the significant segment expenses and consolidated net profit are the other segment items. Most of the Group's long-lived assets are located in the PRC and most of the Group's revenues are derived from within the PRC. For geographic information, please refer to Note 22.

(af) Treasury shares

The Group accounts for treasury shares using the cost method. Under this method, the cost incurred to purchase the shares is recorded in the treasury shares account in the consolidated balance sheets. At retirement, the ordinary shares account is charged only for the aggregate par value of the shares. The excess of the acquisition cost of treasury shares over the aggregate par value is allocated between additional paid-in capital (up to the amount credited to the additional paid-in capital upon original issuance of the shares) and retained earnings. In the event that treasury shares are reissued at an amount different from the cost the Company paid to repurchase the treasury shares, the Company will recognize the difference in additional paid-in capital by using first-in, first-out method. The treasury shares account includes 283,820,445 and 333,628,335 ordinary shares mainly for the purpose of exercise of share-based compensation plans as of December 31, 2024 and 2025, respectively.

(ag) Statutory reserves

In accordance with the relevant regulations and their articles of association, subsidiaries of the Company incorporated in the PRC are required to allocate at least 10% of their after-tax profit determined based on the PRC accounting standards and regulations to the general reserve until such reserve has reached 50% of the relevant subsidiary's registered capital. These reserves can only be used for specific purposes and are not transferable to the Company in the form of loans, advances or cash dividends. During the years ended December 31, 2023, 2024 and 2025, appropriations to the general reserve amounted to RMB64,071, RMB90,251 and RMB 189,589, respectively.

(ah) Recently issued accounting standards

Adoption of new accounting standards

In December 2023, the FASB issued ASU No. 2023-09, Income Taxes (Topic 740)-Improvements to Income Tax Disclosures. ASU No. 2023-09 requires disaggregated information about a reporting entity's effective tax rate reconciliation as well as additional information on income taxes paid. The guidance is effective for annual periods beginning after December 15, 2024 on a prospective basis. Early adoption is permitted. The Group adopted this guidance prospectively. Details of income tax disclosures are set out in Note 12.

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2. Summary of significant accounting policies (continued)

(ah) Recently issued accounting standards (continued)

New accounting standards not yet adopted

In November 2024, the FASB issued ASU No. 2024-03, Income Statement (Topic 220)- Reporting Comprehensive Income-Expense Disaggregation Disclosures (Subtopic 220-40). ASU No. 2024-03 requires publicly-traded business entities to disclose specified information about the components of certain costs and expenses that are currently disclosed in the financial statements. The guidance is effective for annual reporting periods beginning after December 15, 2026, and interim reporting periods beginning after December 15, 2027. Early adoption is permitted. The Group does not expect to adopt ASU No. 2024-03 early and is currently evaluating the impact of adopting this standard on its consolidated financial statements.

In November 2024, the FASB issued ASU No. 2024-04, “Debt - Debt with Conversion and Other Options (Subtopic 470-20): Induced Conversions of Convertible Debt Instruments,” which clarifies the requirements for determining whether certain settlements of convertible debt instruments should be accounted for as an induced conversion. The amendments also clarify some specific applications of induced conversion guidance and that the guidance applies to a convertible debt instrument that is not currently convertible as long as it had a substantive conversion feature as of both its issuance date and the date the inducement offer is accepted. The new guidance is required to be applied either prospectively or retrospectively. The guidance is effective for annual reporting periods beginning after December 15, 2025, including interim periods within those fiscal years. Early adoption is permitted for all entities that have adopted the amendments in ASU No. 2020-06. The Group did not adopt ASU No. 2024-04 early and is currently evaluating the impact of adopting this standard on its consolidated financial statements.

In May 2025, the FASB issued ASU No. 2025-03, “Business Combinations (Topic 805) and Consolidation (Topic 810): Determining the Accounting Acquirer in the Acquisition of a Variable Interest Entity,” which requires an entity involved in an acquisition transaction effected primarily by exchanging equity interests when the legal acquiree is a VIE that meets the definition of a business to consider specific factors to determine the accounting acquirer and removes the requirement that the primary beneficiary always is the acquirer for certain transactions. Under the amendments, acquisition transactions in which the legal acquiree is a VIE will, in more instances, result in the same accounting outcomes as economically similar transactions in which the legal acquiree is a voting interest entity. The amendments do not change the accounting for a transaction determined to be a reverse acquisition or a transaction in which the legal acquirer is not a business and is determined to be the accounting acquiree. The new guidance is required to be applied prospectively to any acquisition transaction that occurs after the initial application date. The guidance is effective for annual reporting periods beginning after December 15, 2026, including interim periods within those fiscal years. The Group does not expect to adopt ASU No. 2025-03 early and is currently evaluating the impact of adopting this standard on its consolidated financial statements.

In July 2025, the FASB issued ASU No. 2025-05, “Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses for Accounts Receivable and Contract Assets”. The amendments provide an optional practical expedient for estimating future credit losses based on current conditions as of the balance sheet date and assuming those conditions do not change over the remaining life of the accounts receivable. The guidance is effective for annual reporting periods beginning after December 15, 2025, and interim reporting periods within those annual reporting periods, on a prospective basis. Early adoption is permitted. The Group did not adopt ASU No. 2025-05 early and is currently evaluating the impact of adopting this standard on its consolidated financial statements.

In November 2025, the FASB issued ASU No. 2025-08, “Financial Instruments—Credit Losses (Topic 326): Purchased Loans”. The amendments expand the population of acquired financial assets subject to the gross-up approach in Topic 326. Loans (excluding credit cards) acquired without credit deterioration and deemed “seasoned” are purchased seasoned loans and accounted for using the gross-up approach at acquisition. The guidance is effective for all entities for annual reporting periods beginning after December 15, 2026, and interim reporting periods within those annual reporting periods, on a prospective basis. Early adoption is permitted. The Group does not expect to adopt ASU No. 2025-08 early and is currently evaluating the impact of adopting this standard on its consolidated financial statements.

In December 2025, the FASB issued ASU No. 2025-10, “Government Grants (Topic 832): Accounting for Government Grants Received by Business Entities”. The guidance provides recognition, measurement, and presentation guidance, as well as additional disclosure requirements, for government grants. The guidance is effective for annual reporting periods beginning after December 15, 2028, including interim periods within those fiscal years. Early adoption is permitted in both interim and annual reporting periods in which financial statements have not yet been issued or made available for issuance. The Group does not expect to adopt ASU No. 2025-10 early and is currently evaluating the impact of adopting this standard on its consolidated financial statements.

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3. Business Combination

In 2024 and 2025, the Group entered into share purchase agreements to purchase equity interest in several entities, of which major ones are described as follows. In accordance with ASC 805, the acquisition of those entities had been accounted for as a business combination. The Group has consolidated all of the relevant entities since their respective acquisition dates, and has incorporated the results of operations since the acquisition dates in the Group's consolidated financial statements.

Acquisition of Yonghui Yunjin

In June 2024, the Group purchased 65% of the common shares of Yonghui Yunjin Technology Co., Ltd. and two of its wholly-owned subsidiaries, Chongqing Yonghui Small Loan Co., Ltd. ("Yonghui Small Loan") and Yonghui Qinghe Commercial Factoring (Chongqing) Co., Ltd. ("Yonghui Qinghe") (together as "Yonghui Yunjin") for a total cash consideration of RMB382.8 million.

Acquisition of PIF

In 2024, the Group, through one of its subsidiaries, entered into a deal to purchase common shares of PT Pratama Interdana Finance ("PIF"). As of December 31, 2024, the Group paid cash consideration of IDR197.2 billion (around RMB89.4 million) and is entitled to 83.75% of interest in PIF.

The allocation of the purchase price in aggregate is as follows:

	<u>As of acquisition date</u> RMB	<u>Amortization years</u>
Identifiable assets acquired		
Identifiable intangible asset*	38,606	Indefinite
Cash	552,685	
Deferred tax asset	26,237	
Other asset	104,896	
Identifiable liabilities assumed		
Deferred tax liability	(8,940)	
Other liability	(14,425)	
Non-controlling interest	(222,941)	
Total purchase price	476,118	

*The intangible asset refers to the Micro-Lending License of Yonghui Small Loan and the Multi-finance License of PIF that qualify the "contractual-legal" criterion. They are recognized at fair value.

In September 2025, the Group additional acquired the 6.905% of the equity interests in Yonghui Yunjin with a total cash consideration of approximately RMB 41.5 million.

In December 2025, the Group additional acquired the remaining 16.25% of the equity interests in PIF with a total cash consideration of approximately RMB 12.3 million.

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3. Business Combination (Continued)

Acquisition of Fundo

In July 2025, the Group acquired a 40% equity interest in Fundo Loans Pty Ltd (“Fundo”) with a cash consideration of AUD16.0 million (around RMB74.8 million). The 40% equity interest held in Fundo was accounted for under the equity method as the Group has the ability to exercise significant influence but does not have control.

In October 2025, the Group acquired 100% equity interests of Fundo by purchasing the remaining 60% interest with a cash consideration of AUD33.1 million (around RMB159.9 million). Upon the consummation of the acquisition, the Group effectively controls Fundo. Therefore, the financial statements of Fundo have been consolidated into the Group’s consolidated financial statements from the date control was obtained.

The Group accounted for the step acquisition using the acquisition method of accounting. Identifiable assets and liabilities acquired or assumed are measured separately at their fair values as of the acquisition date. The excess of (i) the total costs of acquisition and acquisition date fair value of previously held equity interest in Fundo over (ii) the fair value of the identifiable net assets of Fundo is recorded as goodwill which was attributed to expected synergies arising from the acquisition. The allocation of the purchase price as of the date of acquisition is summarized as follows:

	<u>As of acquisition date</u>	<u>Amortization years</u>
	RMB	
Identifiable assets acquired		
Identifiable intangible asset*	123,450	Indefinite
Fair value adjustment of property, equipment and software	16,811	
Cash	17,564	
Goodwill	79,759	
Other assets	141,537	
Identifiable liabilities assumed		
Deferred tax liability	(42,078)	
Other liabilities	(105,648)	
Total purchase price is comprised of:	231,395	
- cash consideration	159,861	
- fair value of previously held equity interests	71,534	

*The intangible asset refers to the Australian Credit License of Fundo that qualify the “contractual-legal” criterion. It is recognized at fair value.

Other than the acquisition disclosed above, none of other acquisition occurred during the periods presented was material to our business or financial results. Other immaterial acquisitions in 2023, 2024 and 2025 with total consideration of nil, RMB4.0 million and nil were immaterial that resulted in no recorded goodwill and recorded intangible assets of nil, RMB5.1 million and nil respectively.

Pro forma results of operations for all the acquisitions have not been presented because they were not material to the consolidated statements of operations and comprehensive income for the years ended December 31, 2023, 2024 and 2025, either individually or in aggregate.

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4. Loans receivable, net

Loans receivable originated and retained by the Group consist of the following:

	As of December 31,	
	2024	2025
	RMB	RMB
Loans	4,384,088	7,016,524
Credit loss allowance for loans receivable	(226,467)	(544,905)
Loans receivable, net	4,157,621	6,471,619

As of December 31, 2024 and 2025, the entire loans receivable balance represents the outstanding loans made to the borrowers from consolidated trusts and subsidiaries of the Group. As part of the Group's efforts to develop new product offerings, a series of trusts were established and administrated by third-party trust companies. These trusts make loans solely to borrowers referred by the Group to provide returns to the trust beneficiaries. As such, the Group has power to direct the activities of the trusts. In addition, the Group has the obligation to absorb losses or the right to receive residual benefits from certain trusts that could potentially be significant to these trusts. As a result, the Group is considered the primary beneficiary of the trusts and their assets, liabilities, results of operations and cash flows are consolidated accordingly.

The following table sets forth the activity in the allowance for loan losses for the years ended December 31, 2023, 2024 and 2025.

	For the years ended December 31,		
	2023	2024	2025
	RMB	RMB	RMB
Beginning balance	294,355	214,550	226,467
Impact of business combination	-	-	7,152
Provision for loans receivable	586,843	320,013	637,700
Current period write off	(666,648)	(308,096)	(326,414)
Ending balance	214,550	226,467	544,905

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4. Loans receivable, net (continued)

The Group evaluates expected credit losses of loans receivable on a collective basis based on the type of borrowers and delinquency pattern. Credit quality indicators are updated quarterly, and the credit quality of any given customer can change during the life of the portfolio. The following table presents loans receivable based on type of borrowers and delinquency as of December 31, 2024 and December 31, 2025:

	1-89 days past due	90-119 days past due	120-149 days past due	150-179 days past due	Total past due	Current	Total loans receivable
December 31, 2024							
New borrowers	23,755	1,422	1,501	1,427	28,105	537,047	565,152
Repeat borrowers	54,461	4,645	3,687	3,702	66,495	3,752,441	3,818,936
Total	<u>78,216</u>	<u>6,067</u>	<u>5,188</u>	<u>5,129</u>	<u>94,600</u>	<u>4,289,488</u>	<u>4,384,088</u>
December 31, 2025							
New borrowers	112,984	19,557	16,339	12,524	161,404	1,612,205	1,773,609
Repeat borrowers	312,203	73,312	59,903	45,072	490,490	4,752,425	5,242,915
Total	<u>425,187</u>	<u>92,869</u>	<u>76,242</u>	<u>57,596</u>	<u>651,894</u>	<u>6,364,630</u>	<u>7,016,524</u>

As the average tenor of loans facilitated on domestic and overseas platform are around 8.3 months and 91.0 days, respectively, substantially all of the loans receivable balance as of December 31, 2025 are originated in 2025.

As of December 31, 2024 and 2025, loans receivable amounting to RMB16,384 and RMB226,707 were past due for 90 days or more with no interest accrued. Interest income for non-accrual loans receivable is recognized on a cash basis. For the years ended December 31, 2023, 2024 and 2025, interest income earned from non-accrual loans receivable were not material.

Management performs a quarterly evaluation of the adequacy of credit loss allowance for loans receivable based on expectations of lifetime credit losses based on historical default experience, known or inherent risks in the portfolio, current economic conditions and macroeconomic forecasts as well as other factors surrounding the credit risk of borrowers. When forecasting macroeconomic factors, management primarily considered gross domestic product, consumer price index and other pertinent factors such as money supply wherein M1 money supply was determined to be the most relevant to the Group's business. The allowance is calculated at portfolio-level since the loan portfolio is typically of smaller balance homogenous loans and is collectively evaluated for impairment.

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5. Prepaid expenses and other assets

Receivables, prepayments and other assets consist of the following:

	As of December 31,	
	2024	2025
	RMB	RMB
Security deposits and other deposits ¹	848,495	649,704
Deductible value-added taxes	78,310	64,300
Prepaid online marketing expenses	12,417	17,207
Advances	93,190	110,674
Trust statutory deposits	46,488	105,319
Others	192,773	223,862
	<u>1,271,673</u>	<u>1,171,066</u>

¹Security deposits and other deposits primarily include security deposits and rental deposits. Security deposits were set aside as requested by certain institutional funding partners, held in deposit accounts with the institutional funding partners. As of December 31, 2024 and 2025, security deposits set aside by the Group amounted to RMB785,348 and RMB643,571 respectively.

6. Property, equipment and software, net

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

	As of December 31,	
	2024	2025
	RMB	RMB
Computer and electronic equipment	314,619	326,220
Office building ²	483,817	483,817
Office building improvement	-	11,258
Office furniture and equipment	29,027	29,408
Leasehold improvement	33,708	9,625
Software	78,011	135,882
Total	<u>939,182</u>	<u>996,210</u>
Less: Accumulated depreciation and amortization ¹	<u>(315,390)</u>	<u>(354,894)</u>
Property, equipment and software, net	<u>623,792</u>	<u>641,316</u>

1 Depreciation and amortization expenses for the years ended December 31, 2023, 2024 and 2025 was RMB22,515, RMB69,491 and RMB 66,484 respectively.

2 The Company purchased the building of the Group's principle executive offices in Shanghai, the People's Republic of China in 2024.

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7. Intangible assets

Intangible assets consist of the following:

	As of December 31,	
	2024 RMB	2025 RMB
Micro-Lending Licenses	77,760	88,360
Insurance Brokerage License	34,667	34,667
Multi-finance License	19,490	18,653
Collection License	5,116	5,116
Factoring License	265	265
Australian Credit License ¹	-	123,450
Total	137,298	270,511
Less: impairment	-	(265)
Intangible assets	137,298	270,246

1 Australian Credit License was acquired through the Group's acquisition with Fundo (Note 3).

8. Accounts receivable and contract assets

The following table presents the accounts receivable and contract assets as of December 31, 2024 and 2025:

	As of December 31,	
	2024 RMB	2025 RMB
Accounts receivable and contract assets	2,696,147	2,369,401
Credit loss allowance for accounts receivable and contract assets	(290,267)	(340,816)
Accounts receivable and contract assets, net	2,405,880	2,028,585

The Group evaluates expected credit losses of accounts receivable and contract assets on a collective basis based on the type of customers and delinquency pattern. Credit quality indicators are updated quarterly, and the credit quality of any given customer may change during the life of the portfolio. The following table presents accounts receivable and contract assets based on type of customers and delinquency as of December 31, 2024 and 2025:

	1-89 days past due	90-119 days past due	120-149 days past due	150-179 days past due	Total past due	Current	Total accounts receivable and contract assets
December 31, 2024							
New borrowers	14,634	2,221	2,027	2,013	20,895	255,828	276,723
Repeat borrowers	59,548	13,705	13,259	13,479	99,991	1,695,512	1,795,503
Institutions	-	-	-	-	-	623,921	623,921
Total	74,182	15,926	15,286	15,492	120,886	2,575,261	2,696,147
December 31, 2025							
New borrowers	13,134	2,884	2,612	2,613	21,243	144,674	165,917
Repeat borrowers	73,654	16,643	14,117	12,742	117,156	998,304	1,115,460
Institutions	-	-	-	-	-	1,088,024	1,088,024
Total	86,788	19,527	16,729	15,355	138,399	2,231,002	2,369,401

As the average tenor of loans facilitated on domestic and overseas platform are around 8.8 months and 91.2 days, respectively, substantially all of the accounts receivable and contract assets balance as of December 31, 2025 are originated in 2025.

FINVOLUTION GROUP
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8. Accounts receivable and contract assets (continued)

As disclosed in note 2(k), the Group writes-off the domestic and overseas accounts receivable and contract assets and the related allowance when the accounts receivables and contract assets are delinquent for 180 days or more and 30 days or more, respectively.

The following table sets forth the movement of credit loss allowance for accounts receivable and contract assets for the years ended December 31, 2023, 2024 and 2025, respectively:

	For the years ended December 31,		
	2023	2024	2025
	RMB	RMB	RMB
Beginning balance	496,918	310,394	290,267
Provision for accounts receivable and contract assets	253,948	317,049	425,966
Current period write-off	(440,472)	(337,176)	(375,417)
Ending balance	<u>310,394</u>	<u>290,267</u>	<u>340,816</u>

9. Employee benefits

The full time employees of the Group are entitled to staff welfare benefits, including medical insurance, basic pensions, unemployment insurance, work injury insurance, maternity insurance and housing funds. The Group is required to accrue for these benefits based on certain percentages of the employees' salaries in accordance with the relevant regulations and to make contribution to the state-sponsored pension and medical plans. The total amounts charged to the consolidated statements of comprehensive income for such employee benefits amounted to approximately RMB199,002, RMB224,170 and RMB235,155 for the years ended December 31, 2023, 2024 and 2025, respectively.

10. Accrued expenses and other liabilities

Accrued expenses and other liabilities consist of the following:

	As of December 31,	
	2024	2025
	RMB	RMB
Funds payable to institutional funding partners ¹	504,353	492,479
Accrued marketing expense	312,749	345,245
Accrued credit reference expense	67,146	90,805
Accrued collection service fee	41,975	69,836
Accrued technical services expense	43,697	44,383
Accrued payment channel expenses	35,426	26,167
Accrued professional service fee	37,527	55,943
Payable to platform users	111,409	142,628
Others	77,588	162,045
	<u>1,231,870</u>	<u>1,429,531</u>

¹The balance of payable mainly includes funds received from borrowers but not yet transferred to the institutional funding partners due to the settlement time lag.

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11. Related party balances and transactions

The Group conducts transactions with multiple related parties, and only amounts and balances of major transactions are shown below:

Amounts incurred by the Group

	For the years ended December 31,		
	2023	2024	2025
	RMB	RMB	RMB
Smart Frontier ¹			
Operation and support services expenses	-	-	29,928

Amounts due to related parties

	As of December 31,	
	2024	2025
	RMB	RMB
PPcredit ²	6	-
Gouya ³	124	124
Smart Frontier	-	5,685
Halodo ⁴	13,184	12,891
Total	13,314	18,700

Amounts due from related parties

	As of December 31,	
	2024	2025
	RMB	RMB
PPcredit ²	444	-
Halodo ⁴	16,755	16,382
Fuzhou Rongheng ⁵	508	-
Smart Frontier	-	20,343
Total	17,707	36,725

1 Smart Frontier (Shanghai) Technology Co., Ltd. (“Smart Frontier”) is an equity method investee of the Group. The subsidiaries of Smart Frontier provide operation and support services to the Group.

2 PPcredit Data Service (Shanghai) Co., Ltd. (“PPcredit”) was founded in April 2016 by the founders of the Group to provide data collection services. The Group mainly uses PPcredit as a data provider since PPcredit was established. The price for the service is determined based on the price charged by other market participants.

3 Shanghai Gouya Technology Co., Ltd. (“Gouya”) was founded in November 2020 by the founders of the Group to provide smart vending machine services. In August 2023, the Group disposed of 70% of the interest it held in Gouya and Gouya became one of the related parties of the Group thereof.

4 Halodo Limited (“Halodo”) was founded in 2019 as a holding company within the Group. In September 2024, the Group disposed of 100% of the interest in Halodo but still holds significant influence over its management and operating policies and Halodo became one of the related parties of the Group thereof.

5 Fuzhou Rongheng Information Technology Co., Ltd. (“Fuzhou Rongheng”) was founded in July 2023 to provide mediation service. In January 2024, the Group, through one of its subsidiaries, purchased 40% of the interest in Fuzhou Rongheng and Fuzhou Rongheng became one of the related parties of the Group thereof.

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12. Taxation

Cayman Islands

Under the current laws of the Cayman Islands, the Company is not subject to tax on income or capital gain. Additionally, upon payments of dividends to the shareholders, no Cayman Islands withholding tax will be imposed.

Hong Kong

Under the current Hong Kong Inland Revenue Ordinance, the Company's subsidiaries incorporated in Hong Kong are subject to 16.5% income tax on their taxable income generated from operations in Hong Kong. Additionally, payments of dividends by the subsidiaries incorporated in Hong Kong to the Company are not subject to any Hong Kong withholding tax. Commencing from the year of assessment of 2018, the first HK\$2 million of profits earned by the Company's subsidiaries incorporated in Hong Kong will be taxed at half the current tax rate (i.e. 8.25%) while the remaining profits will continue to be taxed at the existing 16.5% tax rate. No Hong Kong profits tax was provided for as there was no estimated assessable profits tax during the relevant periods.

Indonesia

Based on Income Tax Law of Indonesia, the subsidiaries incorporated in the Indonesia are subject to income tax of 22% for domestic operations in general and 11% for business entities with gross revenue below IDR 4.8 billion. The effective tax rate will be applied on a proportional basis if gross income is above IDR4.8 billion and below IDR50 billion.

Philippines

Under Philippines CREATE Law act of 2020, the subsidiaries incorporated in the Philippines are subject to income tax of 25% for domestic corporations in general and 20% for corporations with net taxable income not exceeding PHP5,000,000 and total assets excluding land not exceeding PHP100,000,000.

The PRC

On March 16, 2007, the National People's Congress of the PRC enacted an Enterprise Income Tax Law ("EIT Law"), under which Foreign Investment Enterprises ("FIEs") and domestic companies would be subject to EIT at a uniform rate of 25%. The EIT law became effective on January 1, 2008. On April 14, 2008, relevant governmental regulatory authorities released qualification criteria, application procedures and assessment processes for "high and new technology enterprises" ("HNTE"), which will be entitled to a favorable statutory tax rate of 15%. An enterprise's qualification as a HNTE is reassessed by the relevant PRC governmental authorities every three years. In December 2024, Shanghai Shanghu was qualified as HNTE and was entitled to a preferential income tax rate of 15% from 2024 to 2026. In November 2023, Hainan Shanghu was qualified as HNTE and was entitled to a preferential income tax rate of 15% from 2023 to 2025. In December 2025, Shanghai Gami Technology Co., Ltd. ("Shanghai Gami") was qualified as HNTE and was entitled to a preferential income tax rate of 15% from 2025 to 2027. In July 2023, Hainan Shenxin was recognized as Hainan encouraged industrial enterprise and was entitled to a preferential income tax rate of 15%. In 2025, tax benefit for Hainan Shenxin expired and the income tax rate reverted to 25%.

The EIT Law also provides that an enterprise established under the laws of a foreign country or region but whose "de facto management body" is located in the PRC be treated as a resident enterprise for the PRC tax purposes and consequently be subject to the PRC income tax at the rate of 25% for its global income. The Implementing Rules of the EIT Law merely define the location of the "de facto management body" as "the place where the exercising, in substance, of the overall management and control of the production and business operation, personnel, accounting, properties, etc., of a non-PRC company is located." Based on management's review of surrounding facts and circumstances, the Group does not believe that it is likely that its entities registered outside of the PRC should be considered as resident enterprises for the PRC tax purposes.

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12. Taxation (continued)

The PRC (continued)

The EIT Law also imposes a withholding income tax of 10% on dividends distributed by a FIE to its immediate holding company outside of China, if such immediate holding company is considered as a non-resident enterprise without any establishment or place within China or if the received dividends have no connection with the establishment or place of such immediate holding company within China, unless such immediate holding company's jurisdiction of incorporation has a tax treaty with China that provides for a different withholding arrangement. The Cayman Islands, where the Company incorporated, does not have such tax treaty with China. In accordance with accounting guidance, all undistributed earnings are presumed to be transferred to the parent company and are subject to the withholding taxes.

Starting from 2020, the Company decided to remit certain percentage of the annual profits of its PRC subsidiaries to their overseas parent company for dividend distribution purposes. As of December 31, 2025, the Company recognized the withholding tax at 10%. The Group accrued RMB7 million and RMB65 million withholding tax liabilities in 2024 and 2025, respectively. As of December 31, 2024 and 2025, apart from the subsidiaries mentioned above, no deferred tax liabilities were provided for the accumulated undistributed profits of PRC subsidiaries, respectively. The Group still intends to indefinitely reinvest these remaining undistributed earnings in its PRC subsidiaries.

The Group has not accrued any tax for the outside basis difference represented by the accumulated undistributed profits of the consolidated VIEs, which amounted to RMB5,687 million at December 31, 2025 as, after review, it was determined that relevant tax laws and regulations provide for tax-free transfer of such amounts to the Group's PRC subsidiaries.

Composition of income tax expenses

The current and deferred portions of income tax expenses included in the consolidated statements of comprehensive income during the years ended December 31, 2023, 2024 and 2025 are as follows:

	For the years ended December 31,		
	2023	2024	2025
	RMB	RMB	RMB
Current income tax expenses	991,644	1,179,042	784,463
Deferred income tax expense	(596,544)	(721,637)	(228,220)
Total	395,100	457,405	556,243

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

The Group did not identify significant unrecognized tax benefits for the years ended December 31, 2023, 2024 and 2025 and does not anticipate any significant change in unrecognized tax benefits within 12 months from December 31, 2025.

The following table sets forth reconciliation between the computed expected tax expenses (benefit) rate and the effective income tax rate for the years ended December 31, 2024 and 2023.

	For the years ended December 31,	
	2023	2024
	RMB	RMB
Statutory tax rate ¹	25%	25%
Research and development tax credit	(2)%	(2)%
Effect of tax holiday	(13)%	(9)%
Change in valuation allowance	(1)%	0%
Non-deductible expenses	1%	2%
Withholding tax	4%	0%
Effective income tax rate	14%	16%

¹ The PRC statutory income tax rate is used for the reconciliation as the majority of the Group's operations are based in the PRC.

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12. Taxation (continued)

In accordance with the updated requirements of ASU No. 2023-09 for the year ended December 31, 2025, a reconciliation between the statutory rate and the Group's effective tax rate is as follows:

	For the year ended December 31, 2025	
	Amount	Percent
Statutory tax rate ¹	775,361	25.0%
Foreign Tax Effects		
Indonesia		
Statutory tax rate difference between Indonesia and Chinese mainland	(10,447)	(0.2)%
Change in valuation allowance	2,640	0.1%
Hong Kong		
Statutory tax rate difference between Hong Kong and Chinese mainland	22,563	0.7%
Change in valuation allowance	10,633	0.3%
Cayman Islands		
Statutory tax rate difference between Cayman and Chinese mainland	(57,443)	(1.9)%
Other foreign jurisdictions	(1,371)	(0.0)%
Change in valuation allowance	(25,645)	(0.8)%
Nontaxable or nondeductible items	46,841	1.5%
Other reconciling items		
Research and development tax credit	(50,921)	(1.7)%
Effect of tax holiday	(265,448)	(8.6)%
Withholding tax	84,662	2.7%
Others	24,818	0.8%
Effective income tax rate	<u>556,243</u>	<u>17.9%</u>

¹ The PRC statutory income tax rate is used for the reconciliation as the majority of the Group's operations are based in the PRC.

In 2025, the Group paid RMB1,246.0 million, RMB88.5 million and RMB14.9 million in income taxes (net of refunds received) in the Chinese mainland, Philippines and other countries.

The aggregate amount and per share effect of the tax holidays are as follows:

	For the years ended December 31,		
	2023	2024	2025
	RMB	RMB	RMB
Tax holiday effect	356,159	259,755	265,448
Net profit per share effect			
- Basic	<u>0.27</u>	<u>0.20</u>	<u>0.21</u>
- Diluted	<u>0.26</u>	<u>0.20</u>	<u>0.20</u>

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12. Taxation (continued)

Deferred tax assets

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

	As of December 31,	
	2024	2025
	RMB	RMB
Deferred tax assets:		
Timing difference in revenue recognition	2,375,253	3,345,949
Provision for accounts receivable and contract assets and loans receivable	330,493	75,036
Accumulated tax losses-carry forward	179,809	155,457
Payroll and welfare payable and other temporary differences	69,024	114,981
Quality assurance obligations	126,706	173,337
Less: Valuation allowance	(75,810)	(63,439)
Total deferred tax assets	3,005,475	3,801,321
Deferred tax liabilities:		
Intangible assets arisen from business combination and asset acquisition	(33,520)	(73,205)
Fair value adjustment to assets and liabilities during business combination and asset acquisition	-	(5,043)
Timing difference in revenue recognition	(140,144)	(244,834)
Quality assurance obligations	(395,868)	(748,066)
Fair value changes and other temporary difference	(35,949)	(19,541)
Unrealized gain in consolidated trusts	(110,783)	(173,470)
Withholding tax for undistributed earnings	(266,559)	(331,647)
Total deferred tax liabilities	(982,823)	(1,595,806)

Movement of valuation allowances

	For the years ended December 31,		
	2023	2024	2025
	RMB	RMB	RMB
At beginning of year	115,754	94,926	75,810
Current year additions	44,113	34,490	17,964
Current year reversals	(64,941)	(53,606)	(30,335)
At end of year	94,926	75,810	63,439

Valuation allowances have been provided on deferred tax assets due to the uncertainty surrounding their realization. As of December 31, 2024 and 2025, valuation allowances on deferred tax assets mainly arising from tax loss carry forwards were provided because it was more likely than not that the Group will not be able to utilize tax loss carry forwards and certain deductible expenses generated by certain unprofitable subsidiaries.

As of December 31, 2025, total tax loss carry forwards of the Company's subsidiaries in the PRC of approximately RMB512,507 will expire if not used between 2026 and 2030. The applicable carry-forward limitation period is 5 years under the PRC EIT law.

Uncertain tax positions

The Group evaluates the level of authority for each uncertain tax position (including the potential application of interest and penalties) based on the technical merits, and measures the unrecognized benefits associated with the tax positions. As of December 31, 2024 and 2025, the Group did not have any significant unrecognized uncertain tax positions.

FINVOLUTION GROUP
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13. Ordinary shares and treasury stock

FinVolution Group adopted a dual class share structure. For the years ended December 31, 2023, 2024 and 2025, the Company repurchased 107,601,530, 88,949,555 and 72,918,190 Class A ordinary shares on the open market for an aggregate cash consideration of US\$97.9 million (RMB691.5 million), US\$90.6 million (RMB643.2 million) and US\$107.2 million (RMB767.0 million). The weighted average price of these shares repurchased were US\$0.91, US\$1.02 and US\$1.47 per share. These issued and repurchased shares are considered not outstanding and therefore were accounted for under the cost method and includes such treasury stock as a component of the shareholder's equity.

For the years ended December 31, 2023, 2024 and 2025, certain Class B ordinary shareholders sold nil, 2,500,000 and nil Class B ordinary shares on the open market which were automatically transferred into Class A ordinary shares upon completion of the transactions.

As of December 31, 2025, 1,550,071,169 ordinary shares have been issued at par value of US\$0.00001, including (i) 983,371,169 Class A ordinary shares and (ii) 566,700,000 Class B ordinary shares.

14. Share-based compensation

The Group recognizes share-based compensation, net of estimated forfeitures, on a straight line basis over the vesting term of the awards. All the share-based awards granted by the Group are service conditions only. There was no income tax benefit recognized on the consolidated statements of comprehensive income for share-based compensation and the Group did not capitalize any of the share-based compensation as part of the cost of any asset in the years ended December 31, 2023, 2024 and 2025.

In June 2013 and October 2017, the Group adopted 2013 Share Incentive Plan (the "2013 plan") and 2017 Share Incentive Plan (the "2017 plan"), which allows the Group to offer share based incentive awards to employees, officers, directors and individual consultants who render services to the Group by granting options, restricted shares or restricted share units. Awards granted under 2013 plan or 2017 plan are generally subject to a four-year vesting schedule as determined by the administrator of the plans.

FINVOLUTION GROUP
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14. Share-based compensation (continued)

Share Options

The following table sets forth the stock option shares activities under all the option plans for the years ended December 31, 2023, 2024 and 2025:

	<u>Options Outstanding</u>	<u>Weighted Average Exercise Price US\$</u>	<u>Weighted Average Remaining Contractual Life</u>	<u>Aggregate Intrinsic Value US\$</u>
Outstanding at December 31, 2023	7,898,740	0.7983	2.90	1,782
Expired	(125,000)	1.4000	-	-
Exercised	(2,679,140)	0.6201	-	-
Outstanding at December 31, 2024	5,094,600	0.8773	2.83	1,942
Exercised	(1,236,150)	1.1372		
Outstanding at December 31, 2025	3,858,450	0.7940	2.28	995
Vested and expected to vest at December 31, 2025	3,858,450	0.7940	2.28	995
Exercisable as of December 31, 2025	1,286,150	0.7940	2.28	332

For the years ended December 31, 2023, 2024 and 2025, total share-based compensation expenses recognized related to the share options were RMB2,889, RMB2,894 and RMB3,311, respectively. As of December 31, 2025, the unrecognized compensation cost was RMB4,346. These amounts are expected to be recognized over a weighted average period of 1.92 years. Total compensation cost may be adjusted for future changes in estimated forfeitures.

The aggregate intrinsic value as of December 31, 2023, 2024 and 2025 is calculated as the difference between the exercise prices of the options and the per-share market price.

The weighted average grant-date per-share fair value of options granted during the years ended December 31, 2023, 2024 and 2025 was US\$0.37, nil and nil, respectively.

FINVOLUTION GROUP
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14. Share-based compensation (continued)

RSUs

The following table sets forth the Company's RSUs activities under all incentive plans for the years ended December 31, 2023, 2024 and 2025:

	<u>Number of RSUs</u>	<u>Weighted- average grant date fair value US\$</u>
Unvested at December 31, 2023	68,194,310	0.7724
Granted	39,910,390	1.0244
Vested	(26,126,200)	0.6618
Canceled/Forfeited	(6,633,360)	0.7744
Unvested at December 31, 2024	75,345,140	0.9374
Granted	13,557,410	1.6210
Vested	(21,874,150)	0.9337
Canceled/Forfeited	(2,119,440)	1.0367
Unvested at December 31, 2025	64,908,960	1.0782

Total share-based compensation cost for the RSUs amounted to RMB113,518 , RMB141,158 and RMB145,734 for the years ended December 31, 2023, 2024 and 2025, respectively. As of December 31, 2025, there was RMB323,259 unrecognized compensation cost, net of estimated forfeitures, related to unvested restricted shares, which are to be recognized over a weighted average vesting period of 3.26 years. Total unrecognized compensation cost may be adjusted for future changes in estimated forfeitures. The Company determined the fair value of RSUs based on its stock price on the date of grant.

FINVOLUTION GROUP
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15. Net profit per share

Basic net profit per share is computed using the weighted average number of the ordinary shares outstanding during the period. Diluted net profit per share is computed using the weighted average number of ordinary shares and potential ordinary shares outstanding during the period.

Basic net profit per share and diluted net profit per share have been calculated in accordance with ASC Topic 260 on computation of earnings per share for the years ended December 31, 2023, 2024 and 2025 as follows:

	For the years ended December 31,		
	2023	2024	2025
	RMB	RMB	RMB
Basic net profit per share calculation:			
Numerator:			
Net profit attributable to FinVolution Group's ordinary shareholders	2,340,835	2,383,146	2,542,405
Denominator:			
Weighted average number of ordinary shares outstanding—basic	1,374,713,018	1,287,853,207	1,259,849,521
Net profit per share attributable to FinVolution Group's ordinary shareholders —basic	1.70	1.85	2.02
Diluted net profit per share calculation:			
Numerator:			
Net profit attributable to FinVolution Group's ordinary shareholders	2,340,835	2,383,146	2,542,405
Interest expense attributable to convertible senior notes	-	-	17,453
Net profit attributable to FinVolution Group's ordinary shareholders — diluted	2,340,835	2,383,146	2,559,858
Denominator:			
Weighted average number of ordinary shares outstanding—basic	1,374,713,018	1,287,853,207	1,259,849,521
Ordinary shares issuable upon the exercise of outstanding stock options using the treasury stock method	1,395,803	814,226	1,444,254
Ordinary shares issuable upon the vesting of outstanding RSUs using the treasury stock method	26,838,740	31,562,059	41,357,563
Ordinary shares issuable upon convertible senior notes using the if-converted method	-	-	31,586,647
Weighted average number of ordinary shares outstanding—diluted	1,402,947,561	1,320,229,492	1,334,237,985
Net profit per share attributable to FinVolution Group's ordinary shareholders —diluted	1.67	1.81	1.92

FINVOLUTION GROUP
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16. Leases

The Group leases facilities under non-cancellable operating leases expiring on different dates. The terms of substantially all of these leases are four years or less. When determining the lease term, the Group includes options to extend or terminate the lease when it is reasonably certain that it will exercise that option, if any. All of the Group's leases qualify as operating leases. With the adoption of the new leasing standard, the Group has recorded a right-of-use asset and corresponding lease liability, by calculating the present value of future lease payments, discounted at additional borrowing rate.

(a) The following table sets forth the breakdown of leasing expenses :

	For the years ended December 31,	
	2024	2025
	RMB	RMB
Lease cost:		
Amortization of right-of-use assets	12,646	18,532
Interest of lease liabilities	1,263	2,334
Expenses for short-term leases within 12 months	3,753	2,581
Total lease cost	17,662	23,447

(b) The following table sets forth the supplemental cash flow information related to leases:

	For the years ended December 31,	
	2024	2025
	RMB	RMB
Other information:		
Cash paid for amounts included in the measurement of lease liabilities:		
Operating lease payments	22,908	24,126

(c) The following table sets forth the weighted-average remaining lease term and discount rate:

	As of December 31,	
	2024	2025
Weighted-average remaining lease term		
Operating leases	1.71 years	2.14 years
Weighted-average discount rate		
Operating leases	4.99%	6.03%

FINVOLUTION GROUP
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16. Leases (continued)

(d) The following table sets forth the movement of right of use assets for the years ended December 31, 2024 and 2025:

	For the years ended December 31,	
	2024	2025
	RMB	RMB
Beginning balance	38,110	36,826
Recognition of additional leasing contract	20,467	39,873
De-recognition of leasing contract	(9,312)	(6,331)
Amortization of right of use assets	(12,646)	(18,532)
Business combination	207	184
Ending balance	<u>36,826</u>	<u>52,020</u>

(e) The following table sets forth the movement of leasing liabilities for the years ended December 31, 2024 and 2025:

	For the years ended December 31,	
	2024	2025
	RMB	RMB
Beginning balance	35,878	28,765
Recognition of additional leasing contract	20,467	39,873
De-recognition of leasing contract	(6,015)	(2,378)
Interest of lease liabilities	1,263	2,334
Leasing payment	(22,908)	(24,126)
Business combination	80	243
Ending balance	<u>28,765</u>	<u>44,711</u>

(f) The following table sets forth the maturities of lease liabilities :

	As of December 31, 2025 RMB
2026	31,416
2027	10,760
2028	3,752
2029	2,471
2030	1,449
Total undiscounted lease payments	<u>49,848</u>
Less: Imputed interest	(5,137)
Total lease liabilities	<u>44,711</u>

FINVOLUTION GROUP
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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17. Bank Borrowings

The following table presents bank borrowings as of December 31, 2024 and 2025:

	As of December 31,	
	2024	2025
Current portion:		
Short-term borrowings ¹	5,594	170,408
Non-current portion:		
Long-term borrowings ²	-	89,590

1 As of December 31, 2024 and 2025, the Group had short-term borrowings primarily from banks with terms within one year and charged interest rates were 9% per annum for 2024 and ranged from 9% to 13% per annum for 2025. As of December 31, 2024 and 2025, the weighted average interest rate of these borrowings was 9% and 12% per annum, respectively. The borrowings are denominated in IDR and PHP.

2 As of December 31, 2025, the Group had a long-term borrowing from a financial institution assumed from the business combination with Fundo (Note 3). The interest rates were 13.04% per annum per annum for 2025. The borrowings are primarily denominated in AUD.

As of December 31, 2025, the loan is repayable in 36 months following the date of the first advance. The principal amount of RMB89.6 million is due for repayment on April 24, 2028.

18. Convertible senior notes

On June 19, 2025, the Group issued convertible senior notes for an aggregate principal amount of US\$ 150 million due on July 1, 2030 unless earlier converted, redeemed or repurchased (the "2030 Note"). The 2030 Notes are senior, unsecured obligations of the Group and bear interest at a rate of 2.50% per year, payable semi-annually in arrears on January 1 and July 1 of each year, beginning on January 1, 2026. The initial conversion rate of the 2030 Notes is 80.8865 ADSs per US\$1,000 principal amount of the Notes, which is equivalent to an initial conversion price of approximately US\$12.36 per ADS.

Each holder of the 2030 Notes has a right at such holder's option to require the Company to repurchase cash all or any portion of the principal that is equal to US\$1,000 or a multiple of US\$1,000, on July 3, 2028 (the "Repurchase Date"). In addition, if a fundamental change occurs, each holder has a right at such holder's option to require the Company to repurchase for cash all or any portion of such holder's 2030 Notes. The Company believes that the likelihood of occurrence of the fundamental change is remote.

The 2030 Notes are generally not redeemable prior to the maturity date on July 1, 2030, except that the Company may, at its option, redeem all but not part of the 2030 Notes if less than 10% of the aggregate principal amount of the Notes originally issued remains outstanding at such time or the Company has or will become obligated to pay holders additional amount due to certain changes in tax law of the relevant jurisdiction. As of December 31, 2025, there has been no such change in tax laws occurred.

The Company accounted for the 2030 Notes as a single instrument as a long-term debt measured at its amortized cost. The debt issuance cost of US\$5.5 million was recorded as reduction to the long-term debts and are amortized as interest expense using the effective interest method.

FINVOLUTION GROUP
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19. Commitments and contingencies

(a) Capital and other commitments

The Group was obligated to pay up to RMB59 million and RMB40 million for equity investments under various arrangements as of December 31, 2024 and 2025, respectively. The commitment balance as of December 31, 2024 and 2025 primarily includes the remaining committed capital of certain investment funds. The Group has also entered into business acquisition agreements under which the Group was obligated to pay up to RMB400 million and RMB59 million as of December 31, 2024 and 2025, respectively.

(b) Contingencies

From time to time, the Group is involved in claims and legal proceedings that arise in the ordinary course of business. Based on currently available information, management does not believe that the ultimate outcome of these unresolved matters, individually and in the aggregate, is likely to have a material adverse effect on the Group's financial position, results of operations or cash flows. However, litigation is subject to inherent uncertainties and the Group's view of these matters may change in the future. If an unfavorable outcome were to occur, there exists the possibility of a material adverse impact on the Group's financial position, results of operations and cash flows for the periods in which the unfavorable outcome occurs.

The Group accounts for loss contingencies in accordance with ASC Topic 450 "Contingencies" and other related guidance. Set forth below is a description of certain loss contingencies as well as the opinion of management as to the likelihood of loss.

i) VIE Arrangements

Current PRC laws and regulations include limitations on foreign ownership in PRC companies that conduct online business. Specifically, foreign investors are not allowed to own any equity interests in any entity conducting online business. Since the Company is incorporated in the Cayman Islands, neither the Company nor its PRC subsidiary is eligible to conduct online business in the PRC. To comply with PRC laws and regulations, the Company conducts its operations in China through a series of contractual arrangements entered into among its wholly owned PRC subsidiaries, the WOFEs, its affiliated PRC entities, the VIEs and the VIEs' shareholders.

The VIEs and their subsidiaries hold the licenses that are essential to the operation of the Group's business. In the opinion of management and the Company's PRC legal counsel, (i) the ownership structure of the Company, the WOFE and the VIEs are in compliance with existing PRC laws and regulations; (ii) the contractual arrangements with the VIEs and their shareholders are valid and binding, and will not result in any violation of PRC laws or regulations currently in effect; and (iii) the Group's business operations are in compliance with existing PRC laws and regulations in all material respects. However, there are uncertainties regarding the interpretation and application of current and future PRC laws and regulations. Accordingly, the Company cannot be assured that PRC regulatory authorities will not ultimately take a contrary view to its opinion. If the current ownership structure of the Company and its contractual arrangements with the VIEs were found to be in violation of any existing or future PRC laws and regulations, the Company may be required to restructure its ownership structure and operations in the PRC to comply with the changing and new PRC laws and regulations.

Under PRC Ministry of Commerce ("MOFCOM") security review rules promulgated in September 2011, a national security review is required for certain mergers and acquisitions by foreign investors raising concerns regarding national defense and security. Foreign investors are prohibited from circumventing the national security review requirements by structuring transactions through proxies, trusts, indirect investment, leases, loans, control through contractual arrangements, or offshore transactions. Management, in conjunction with its PRC legal counsel, has concluded there is no need to submit the existing contractual arrangements with consolidated VIEs and its shareholders to the MOFCOM for national security review based upon analysis of the rules. However, there are uncertainties regarding the interpretation and application of the MOFCOM security review rules, and any new laws, rules, regulations or detailed implementation measures in any form relating to such rules. Therefore, the Company cannot be assured that the relevant PRC regulatory authorities, such as the MOFCOM, would not ultimately take a contrary view to the opinion of management and the Company's PRC legal counsel. If the MOFCOM or other PRC regulatory authority determines that the Company needs to submit the existing contractual arrangements with the VIEs and its shareholders for national security review, the Company may face sanctions by the MOFCOM or other PRC regulatory authority, which may include, among others, requiring the Company to restructure its ownership structure, discontinuation or restriction of operations in the PRC, or invalidation of the agreements that the VIEs have entered into with the VIEs and its shareholders.

FINVOLUTION GROUP
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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19. Commitments and contingencies (continued)

(b) Contingencies (continued)

i) VIE Arrangements (continued)

In such case, the Company may not be able to operate or control business in the same manner as it currently does, and therefore, may not be able to consolidate the VIEs and their subsidiaries. In addition, the relevant regulatory authorities would have broad discretion in dealing with such violations which may adversely impact the financial statements, operations and cash flows of the Company (including restrictions on the Company to carry out business).

If the VIEs and their respective shareholders fail to perform their respective obligations under the current contractual arrangements, the Company may have to incur substantial costs and expend significant resources to enforce those arrangements and rely on legal remedies under PRC laws. Because of the limited volume of published decisions and their non-binding nature, the interpretation and enforcement of these laws, rules and regulations involve uncertainties. These uncertainties may impede the ability of the Company to enforce these contractual arrangements or suffer significant delay or other obstacles in the process of enforcing these contractual arrangements and may materially and adversely affect the results of operations and the financial position of the Company.

In the opinion of management, the likelihood of loss in respect of the Company's contractual arrangements with the VIEs is remote.

ii) VIE Enforceability

In the opinion of management and the Company's PRC legal counsel, (i) the ownership structure of the Company, the WOFEs and the VIEs are in compliance with existing PRC laws and regulations; (ii) the contractual arrangements with the VIEs and their shareholders are valid and binding and enforceable. However, uncertainties in the interpretation and enforcement of the PRC laws, regulations and policies could limit the Company's ability to enforce these contractual arrangements. In addition, shareholders of certain VIEs are founders of the Group, who collectively controls more than 50% of total voting power. Therefore, the enforceability of the contractual agreements between VIEs and their shareholders depends on whether shareholders or their PRC holding entities will fulfill these contractual agreements. As a result, the Company may be unable to consolidate the VIEs and VIEs' subsidiaries in the consolidated financial statements in the future.

FINVOLUTION GROUP
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20. Restricted net assets

Relevant PRC laws and regulations permit PRC companies to pay dividends only out of their retained earnings, if any, as determined in accordance with PRC accounting standards and regulations. Additionally, the Company's PRC subsidiaries can only distribute dividends upon approval of the shareholders after they have met the PRC requirements for appropriation to statutory reserves. The statutory general reserve fund requires annual appropriations of 10% of net after-tax income prior to payment of any dividends. Furthermore, registered share capital and capital reserve accounts are also restricted from distribution. As a result of these and other restrictions under PRC laws and regulations, the PRC subsidiaries and affiliates are restricted in their ability to transfer a portion of their net assets to the Company either in the form of dividends, loans or advances, which restricted portion amounted to approximately RMB9,328,872 or 55.4% of the consolidated net assets of the Group as of December 31, 2025. Even though the Company currently does not require any such dividends, loans or advances from the PRC subsidiaries and affiliates for working capital and other funding purposes, the Company may in the future require additional cash resources from its PRC subsidiaries and affiliates due to changes in business conditions, to fund future acquisitions and developments, or merely declare and pay dividends or distributions to the Company's shareholders. Furthermore, cash transfers from the Group's PRC subsidiaries to their parent companies outside of China are subject to PRC government control of currency conversion. Shortages in the availability of foreign currency may temporarily delay the ability of the PRC subsidiaries and consolidated affiliated entities to remit sufficient foreign currency to pay dividends or other payments to the Group, or otherwise satisfy their foreign currency denominated obligations.

21. Condensed financial information of the parent company

The Company performed a test on the restricted net assets of consolidated subsidiaries in accordance with Securities and Exchange Commission Regulation S-X Rule 4-08 (e) (3), "General Notes to Financial Statements" and concluded that it was applicable for the Company to disclose the financial statements for the parent company.

The subsidiaries did not pay any dividend to the Company for the years presented. For the purpose of presenting parent only financial information, the Company records its investments in its subsidiaries under the equity method of accounting. Such investments are presented on the separate condensed balance sheets of the Company as "Investments in subsidiaries" and the profit of the subsidiaries is presented as "share of profit of subsidiaries". Certain information and footnote disclosures generally included in financial statements prepared in accordance with U.S. GAAP have been condensed and omitted. These statements should be read in conjunction with the notes to the consolidated financial statements of the Company.

The Company did not have significant capital and other commitments, long-term obligations, or guarantees as of December 31, 2024 and 2025.

	As of December 31,		
	2024	2025	
	RMB	RMB	US\$ Note2(e)
Assets			
Cash and cash equivalents	76,052	97,932	14,004
Short-term investments	14,566	14,810	2,118
Prepaid expenses and other assets	34,812	7,267	1,041
Amounts due from Group companies	870,209	950,887	135,975
Amounts due from related parties	16,726	16,355	2,339
Investment in subsidiaries ¹	17,900,257	20,458,617	2,925,543
Total assets	18,912,622	21,545,868	3,081,020
Liabilities and Shareholders' Equity			
Accrued expenses and other liabilities	1,493	5,833	834
Convertible senior notes	-	1,019,266	145,753
Amounts due to Group companies	3,707,065	3,970,668	567,798
Total liabilities	3,708,558	4,995,767	714,385
Shareholders' equity :			
Class A ordinary shares (US\$0.00001 par value; 10,000,000,000 shares authorized as of December 31, 2024 and 2025; 983,371,169 and 983,371,169 issued as of December 31, 2024 and 2025; 699,550,724 and 649,742,834 outstanding as of December 31, 2024 and 2025)	64	64	9
Class B ordinary shares (US\$0.00001 par value; 10,000,000,000 shares authorized as of December 31, 2024 and 2025; 566,700,000 and 566,700,000 issued and outstanding as of December 31, 2024 and 2025)	39	39	6
Additional paid-in capital	5,815,437	5,908,586	844,917
Treasury stock (283,820,445 and 333,628,335 shares as of December 31, 2024 and 2025)	(1,765,542)	(2,465,259)	(352,527)
Statutory reserves	852,723	1,042,312	149,049
Accumulated other comprehensive income	92,626	13,027	1,863
Retained earnings	10,208,717	12,051,332	1,723,318
Total shareholders' equity	15,204,064	16,550,101	2,366,635
Total liabilities and shareholders' equity	18,912,622	21,545,868	3,081,020

¹ The subsidiaries consolidate the VIEs and their subsidiaries (including the consolidated trusts).

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21. Condensed financial information of the parent company (continued)

Statements of comprehensive income

	For the years ended December 31,			
	2023	2024	2025	
	RMB	RMB	RMB	US\$ Note 2(e)
Operating expenses				
General and administrative expenses	(19,446)	(11,636)	(12,708)	(1,817)
Profits from operations				
Interest expenses	-	-	(17,453)	(2,496)
Other income, net	34,670	12,161	19,015	2,720
Income from subsidiaries	2,325,611	2,382,621	2,553,551	365,153
Net profit	2,340,835	2,383,146	2,542,405	363,560
Net profit attributable to ordinary shareholders	2,340,835	2,383,146	2,542,405	363,560

Statements of cash flows

	For the years ended December 31,			
	2023	2024	2025	
	RMB	RMB	RMB	US\$ Note 2(e)
Net cash provided by (used in) operating activities for Third-parties	9,545	(14,877)	17,407	2,489
Net cash provided by (used in) operating activities	9,545	(14,877)	17,407	2,489
Collection of loans from Group companies	32,913	251,998	20,892	2,988
Cash paid as loans extended to Group companies	(499,562)	(14,009)	(101,571)	(14,524)
Other investing activities	-	(14,379)	333	48
Net cash (used in) provided by investing activities	(466,649)	223,610	(80,346)	(11,488)
Repayment of loans to Group companies	(74,346)	(12,708)	(8,481)	(1,213)
Cash received as loans from Group companies	1,491,485	902,451	272,083	38,907
Other financing activities	(1,110,984)	(1,084,539)	(222,404)	(31,803)
Net cash provided by (used in) financing activities	306,155	(194,796)	41,198	5,891

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22. Geographic information

The following table presents revenue by geographic area, the PRC, Indonesia, Philippines and all other countries, based on the geographic location for the years ended December 31, 2023, 2024 and 2025. No revenue resulting from an individual country other than the PRC and Indonesia accounted for more than 10% of revenue for the presented years.

	<u>2023</u>	<u>2024</u>	<u>2025</u>
Total Revenue			
The PRC	10,410,574	10,533,327	10,238,018
Indonesia	1,885,586	1,887,770	2,039,063
Philippines	251,719	639,510	1,192,287
Others	(434)	5,217	100,115
	<u>12,547,445</u>	<u>13,065,824</u>	<u>13,569,483</u>

23. Subsequent events

On March 16, 2026, the Board of Directors of the Company unanimously approved a cash dividend of US\$ 0.306 per ADS, and is expected to be distributed on or around May 7, 2026 to shareholders of record as of the close of business on April 16, 2026.

In March 2026, Indonesia's antitrust agency, Komisi Pengawas Persaingan Usaha ("KPPU"), imposed administrative fines on 97 online lending firms operating in Indonesia, alleging violations of antitrust laws through alleged interest rate coordination. The Group's operations conducted under the AdaKami brand in Indonesia were among the sanctioned entities and were fined an aggregate amount of IDR 102,300,000,000, approximately RMB41.7 million, in connection with the alleged coordination. On April 8, 2026, the Group has filed a formal appeal against the KPPU's decision.

FinVolution Group

and

Citibank, N.A., as Trustee

INDENTURE

dated as of June 24, 2025

US\$150,000,000 2.50% CONVERTIBLE SENIOR NOTES DUE 2030

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INDENTURE dated as of June 24, 2025 between FinVolution Group, a Cayman Islands exempted company, as issuer (the “**Company**,” as more fully set forth in Section 1.01) and Citibank, N.A., as trustee (the “**Trustee**,” as more fully set forth in Section 1.01).

WITNESSETH:

WHEREAS, for its lawful corporate purposes, the Company has duly authorized the issuance of its 2.50% Convertible Senior Notes due 2030 (the “**Notes**”), initially in an aggregate principal amount not to exceed US\$150,000,000, subject to Section 2.10, and in order to provide the terms and conditions upon which the Notes are to be authenticated, issued and delivered, the Company has duly authorized the execution and delivery of this Indenture; and

WHEREAS, the Form of Note, the certificate of authentication to be borne by each Note, the Form of Notice of Conversion, the Form of Fundamental Change Repurchase Notice, the Form of Repurchase Notice and the Form of Assignment and Transfer to be borne by the Notes are to be substantially in the forms hereinafter provided; and

WHEREAS, all acts and things necessary to make the Notes, when executed by the Company and authenticated and delivered by the Trustee, as in this Indenture provided, the valid, binding and legal obligations of the Company, and this Indenture a valid agreement according to its terms, have been done and performed, and the execution of this Indenture and the issuance hereunder of the Notes have in all respects been duly authorized.

NOW, THEREFORE, THIS INDENTURE WITNESSETH:

That in order to declare the terms and conditions upon which the Notes are, and are to be, authenticated, issued and delivered, and in consideration of the premises and of the purchase and acceptance of the Notes by the Holders thereof, the Company covenants and agrees with the Trustee for the equal and proportionate benefit of the respective Holders from time to time of the Notes (except as otherwise provided below), as follows:

ARTICLE 1
DEFINITIONS

Section 1.01 *Definitions*. The terms defined in this Section 1.01 (except as herein otherwise expressly provided or unless the context otherwise requires) for all purposes of this Indenture and of any indenture supplemental hereto shall have the respective meanings specified in this Section 1.01. The words “herein,” “hereof,” “hereunder,” and words of similar import refer to this Indenture as a whole and not to any particular Article, Section or other subdivision. The terms defined in this Article include the plural as well as the singular.

“**Additional ADSs**” shall have the meaning specified in Section 14.03(a).

“**Additional Amounts**” shall have the meaning specified in Section 4.07(a).

“**Additional Interest**” means all amounts, if any, payable pursuant to Section 4.06(d), Section 4.06(e) and Section 6.03, as applicable.

“**ADS**” means an American Depositary Share, issued pursuant to the Deposit Agreement, the Omnibus Restricted ADS Letter Agreement, the Note Conversion Letter Agreement, the Affiliate Restricted ADS Series Supplement and/or the Non-affiliate Restricted ADS Series Supplement, representing five Ordinary Shares of the Company as of the date of this Indenture, and deposited with the ADS Custodian.

“**ADS Custodian**” means Citibank, N.A. – Hong Kong, with respect to the ADSs delivered pursuant to the Deposit Agreement, the Omnibus Restricted ADS Letter Agreement, the Note Conversion Letter Agreement, the Affiliate Restricted ADS Series Supplement and/or the Non-affiliate Restricted ADS Series Supplement, or any successor entity thereto.

“**ADS Depository**” means Citibank, N.A., as depository for the ADSs, or any successor entity thereto.

“**ADS Price**” shall have the meaning specified in Section 14.03(c).

“**Affiliate**” of any specified Person means any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person. For the purposes of this definition, “control,” when used with respect to any specified Person means the power to direct or cause the direction of the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; and the terms “controlling” and “controlled” have meanings correlative to the foregoing.

“**Affiliate Restricted ADS Series Supplement**” means the Affiliate Restricted ADS Series Supplement, dated as of June 24, 2025, by and between the Company and the ADS Depository.

“**Agents**” means the Paying Agent, the Transfer Agent, the Note Registrar, the Conversion Agent, any Authenticating Agent or any other agent, custodian or other Person employed to act hereunder, in each case, unless the Company is acting in such capacity.

“**Applicable PRC Rate**” means (i) in the case of deduction or withholding of PRC income tax, 10%, (ii) in the case of deduction or withholding of PRC value added tax (including any related local levies), 6.72%, or (iii) in the case of deduction or withholding of both PRC income tax and PRC value added tax (including any related local levies), 16.72%.

“**Authenticating Agent**” shall have the meaning specified in Section 2.11.

“**Board of Directors**” means the board of directors of the Company or a committee of such board duly authorized to act for it hereunder.

“**Board Resolution**” means a copy of a resolution certified by the Secretary or an Assistant Secretary of the Company to have been duly adopted by the Board of Directors, and to be in full force and effect on the date of such certification, and delivered to the Trustee.

“**Business Day**” means, with respect to any Note, each Monday, Tuesday, Wednesday, Thursday and Friday that is not a day on which banking institutions in the State of New York are authorized or obligated by law or executive order to close.

“**Capital Stock**” means, for any entity, any and all shares, interests, rights to purchase, warrants, options, participations or other equivalents of or interests in (however designated) stock issued by that entity.

“**Cash Settlement**” shall have the meaning specified in Section 14.02(a).

“**Change in Tax Law**” shall have the meaning specified in Section 16.01.

“**Class B Ordinary Shares**” means Class B ordinary shares of the Company, par value US\$0.00001 per share.

“**Clause A Distribution**” shall have the meaning specified in Section 14.04(c).

“**Clause B Distribution**” shall have the meaning specified in Section 14.04(c).

“**Clause C Distribution**” shall have the meaning specified in Section 14.04(c).

“**Cleanup Redemption**” shall have the meaning specified in Section 16.03(a).

“**Cleanup Redemption Date**” shall have the meaning specified in Section 16.03(a).

“**Cleanup Redemption Notice**” shall have the meaning specified in Section 16.03(b).

“**Cleanup Redemption Price**” shall have the meaning specified in Section 16.03(b).

“**close of business**” means 5:00 p.m. (New York City time).

“**Code**” means the U.S. Internal Revenue Code of 1986, as amended.

“**Combination Settlement**” shall have the meaning specified in Section 14.02(a).

“**Commission**” means the U.S. Securities and Exchange Commission.

“**Common Equity**” of any Person means ordinary share capital or common stock of such Person that is generally entitled (a) to vote in the election of directors of such Person or (b) if such Person is not a corporation, to vote or otherwise participate in the selection of the governing body, partners, managers or others that will control the management or policies of such Person.

“**Company**” shall have the meaning specified in the first paragraph of this Indenture, and subject to the provisions of Article 11, shall include its successors and assigns.

“**Company Notice**” shall have the meaning specified in Section 15.01(a).

“**Company Order**” means a written order of the Company, signed by an Officer of the Company and delivered to the Trustee.

“**Consolidated Variable Interest Entity**” means, with respect to any Person, any corporation, association or other entity which is or is required to be consolidated with such Person under Accounting Standards Codification subtopic 810-10, Consolidation: Overall (including any changes, amendments or supplements thereto) or, if such person prepares its financial statements in accordance with accounting principles other than the accounting principles generally accepted in the United States of America, the equivalent of Accounting Standards Codification subtopic 810-10, Consolidation: Overall under such accounting principles.

“**Conversion Agent**” shall have the meaning specified in Section 4.02.

“**Conversion Date**” shall have the meaning specified in Section 14.02(c).

“**Conversion Obligation**” shall have the meaning specified in Section 14.01.

“**Conversion Price**” means as of any time, US\$1,000, *divided by* the Conversion Rate as of such time.

“**Conversion Rate**” shall have the meaning specified in Section 14.01.

“**Corporate Trust Office**” or other similar term, means the principal office of the Trustee at which at any particular time its corporate trust business shall be administered, which office at the date hereof is located at (a) for Note transfer/surrender purposes, 480 Washington Boulevard, 30th Floor, Jersey City, New Jersey, 07310, Email: citi.cspag.debt@citi.com, Attention: Agency & Trust – FinVolution Group, and (b) for all other purposes, 388 Greenwich Street, New York, New York 10013, Email: citi.cspag.debt@citi.com, Attention: Agency & Trust – FinVolution Group, or such other address as the Trustee may designate from time to time by notice to the Holders and the Company, or the principal corporate trust officer of any successor Trustee (or such other address as such successor Trustee may designate from time to time by notice to the Holders and the Company).

“**Daily Conversion Value**” means, for each of the 90 consecutive Trading Days during the Observation Period, one-ninetieth (1/90) of the product of (a) the Conversion Rate in effect immediately after the close of business on such Trading Day and (b) the Daily VWAP for such Trading Day.

“**Daily Measurement Value**” means the Specified Dollar Amount (if any), *divided by* 90.

“**Daily Settlement Amount**,” for each of the 90 consecutive Trading Days during the Observation Period, shall consist of:

- (a) cash in an amount equal to the lesser of (i) the Daily Measurement Value and (ii) the Daily Conversion Value on such Trading Day; and
- (b) if the Daily Conversion Value on such Trading Day exceeds the Daily Measurement Value, a number of ADSs equal to (i) the difference between the Daily Conversion Value and the Daily Measurement Value, *divided by* (ii) the Daily VWAP for such Trading Day.

“**Daily VWAP**” means, for each of the 90 consecutive Trading Days during the relevant Observation Period, the per ADS volume-weighted average price as displayed under the heading “Bloomberg VWAP” on Bloomberg page “FINV<equity> AQR” (or its equivalent successor if such page is not available) in respect of the period from the scheduled open of trading until the scheduled close of trading of the primary trading session on such Trading Day (or if such volume-weighted average price is unavailable, the market value of one ADS on such Trading Day determined, using a volume-weighted average method, by a nationally recognized independent investment banking firm retained for this purpose by the Company, which may include any of the Initial Purchasers). The “**Daily VWAP**” shall be determined without regard to after-hours trading or any other trading outside of the regular trading session trading hours.

“**Default**” means any event that is, or after notice or passage of time, or both, would be, an Event of Default.

“**Default Settlement Method**” shall have the meaning specified in Section 14.02(a)(i).

“**Defaulted Amounts**” means any amounts on any Note (including, without limitation, the Redemption Price, the Repurchase Price, the Fundamental Change Repurchase Price, principal and interest) that are payable but are not punctually paid or duly provided for.

“**Deposit Agreement**” means the deposit agreement dated as of November 14, 2017 by and among the Company (formerly known as PPD AI Group Inc.), the ADS Depository and the holders and beneficial owners from time to time of the ADSs delivered thereunder or, if amended or supplemented as provided therein, as so amended or supplemented.

“**Depository**” means, with respect to each Global Note, the Person specified in Section 2.05(c) as the Depository with respect to such Notes, until a successor shall have been appointed and become such pursuant to the applicable provisions of this Indenture, and thereafter, “**Depository**” shall mean or include such successor.

“**Designated Financial Institution**” shall have the meaning specified in Section 14.13(a).

“**Distributed Property**” shall have the meaning specified in Section 14.04(c).

“**DTC**” means The Depository Trust Company, a New York corporation.

“**Effective Date**” shall have the meaning specified in Section 14.03(c), except that, as used in Section 14.04 and Section 14.05, “**Effective Date**” means the first date on which ADSs trade on the applicable exchange or in the applicable market, regular way, reflecting the relevant share split or share combination, as applicable.

“**Event of Default**” shall have the meaning specified in Section 6.01.

“**Ex-Dividend Date**” means the first date on which the ADSs trade on the applicable exchange or in the applicable market, regular way, without the right to receive the issuance, dividend or distribution in question, from the Company or, if applicable, from the seller of the ADSs on such exchange or market (in the form of due bills or otherwise) as determined by such exchange or market.

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

“**Exchange Election**” shall have the meaning specified in Section 14.13(a).

“**Expiring Rights**” means any rights (other than in connection with a stockholders rights plan), options or warrants to purchase Ordinary Shares or ADSs that expire on or prior to the Maturity Date.

“**FATCA**” shall have the meaning specified in Section 4.07(a)(i)(E).

“**Form of Assignment and Transfer**” shall mean the “Form of Assignment and Transfer” attached as Attachment 4 to the Form of Note.

“**Form of Fundamental Change Repurchase Notice**” shall mean the “Form of Fundamental Change Repurchase Notice” attached as Attachment 2 to the Form of Note.

“**Form of Note**” shall mean the “Form of Note” attached hereto as Exhibit A.

“**Form of Notice of Conversion**” shall mean the “Form of Notice of Conversion” attached as Attachment 1 to the Form of Note.

“**Form of Repurchase Notice**” shall mean the “Form of Repurchase Notice” attached as Attachment 3 to the Form of Note .

“**Fractional ADS**” shall have the meaning specified in Section 14.02(a).

“**Fundamental Change**” shall be deemed to have occurred at the time after the Notes are originally issued if any of the following occurs:

- (a) (A) a “person” or “group” within the meaning of Section 13(d) of the Exchange Act, other than the Company, its Subsidiaries, the employee benefit plans of the Company and its Subsidiaries and the Permitted Holder, files a Schedule TO or any schedule, form or report under the Exchange Act disclosing that such person or group has become the direct or indirect “beneficial owner,” as defined in Rule 13d-3 under the Exchange Act, of the Company’s ordinary share capital (including ordinary share capital held in the form of ADSs) representing more than 50% of the voting power of the Company’s ordinary share capital, or (B) a “person” or “group” within the meaning of Section 13(d) of the Exchange Act, other than the Company, its Subsidiaries, the employee benefit plans of the Company and its Subsidiaries, files a Schedule TO or any schedule, form or report under the Exchange Act disclosing that such person or group has become the direct or indirect “beneficial owner,” as defined in Rule 13d-3 under the Exchange Act, of the Ordinary Shares representing more than 50% of the Company’s then outstanding Ordinary Shares (including Ordinary Shares held in the form of ADSs), *provided*, however that for purposes of this clause (B), in calculating the beneficial ownership percentage of the Ordinary Shares held by such person or group, any Ordinary Shares (including Ordinary Shares held in the form of ADSs) issued or issuable on conversion of Class B Ordinary Shares “beneficially owned” by such person or group on June 19, 2025 or issued or issuable by the Company to such person or group after June 19, 2025 pursuant to the rights attached to, or a dividend or other distribution on, any such Class B Ordinary Shares so “beneficially” owned on June 19, 2025 (or any Ordinary Shares into which they may convert or be exchanged or exercised) shall be excluded from both the numerator and denominator;

- (b) the consummation of (A) any recapitalization, reclassification or change of the Ordinary Shares or the ADSs (other than changes resulting from a subdivision or combination and changes to par value) as a result of which the Ordinary Shares or the ADSs would be converted into, or exchanged for, stock, other securities, other property or assets; (B) any share exchange, consolidation or merger of the Company pursuant to which the Ordinary Shares or the ADSs will be converted into cash, securities or other property; or (C) any sale, lease or other transfer in one transaction or a series of transactions of all or substantially all of the consolidated assets of the Company and its Subsidiaries, Consolidated Variable Interest Entities, taken as a whole, to any Person other than one of the Company's wholly-owned Subsidiaries or one of the Consolidated Variable Interest Entities in which the Company has the right to exercise, directly or indirectly, 100% of the equity holders' voting rights and where such sale, lease or transfer to such Consolidated Variable Interest Entity does not result in the Company ceasing to derive substantially the same economic benefits from the sold, leased or transferred business operations as the Company derived from such business operations prior to such sale, lease or transfer; *provided, however*, that a transaction described in clause (A) or (B) in which the holders of all classes of the Company's ordinary share capital immediately prior to such transaction are entitled to exercise, directly or indirectly, more than 50% of the total voting power of all shares of Capital Stock entitled to vote generally in the election of directors of the continuing or surviving corporation or transferee or the parent thereof immediately after such transaction in substantially the same proportions as their respective ownership of the Company's voting securities immediately prior to such transaction shall not be a Fundamental Change pursuant to this clause (b);
- (c) the shareholders of the Company approve any plan or proposal for the liquidation or dissolution of the Company;
- (d) the ADSs (or other Common Equity or ADSs in respect of the Common Equity underlying the Notes) cease to be listed or quoted on any of The New York Stock Exchange, The Nasdaq Global Select Market or The Nasdaq Global Market (or any of their respective successors); or

- (e) (A) any change in or amendment to the laws, regulations and rules of the PRC or the official interpretation or official application thereof (a “**Change in Law**”) that results in (x) the Company, its Subsidiaries and its Consolidated Variable Interest Entities (collectively, the “**Company Group**”) (as in existence immediately subsequent to such Change in Law), as a whole, being legally prohibited from operating substantially all of the business operations conducted by the Company Group (as in existence immediately prior to such Change in Law) as of the last date of the period described in the Company’s consolidated financial statements for the most recent fiscal quarter and (y) the Company’s being unable to continue to derive substantially all of the economic benefits from the business operations conducted by the Company Group (as in existence immediately prior to such Change in Law) in the same manner as reflected in the Company’s consolidated financial statements for the most recent fiscal quarter and (B) the Company has not furnished to the Trustee, prior to the date that is six months after the date of the Change in Law, an opinion from an independent financial advisor or external legal counsel stating either (1) the Company is able to continue to derive substantially all of the economic benefits from the business operations conducted by the Company Group (as in existence immediately prior to such Change in Law), taken as a whole, as reflected in the consolidated financial statements of the Company for the most recent fiscal quarter (including after giving effect to any corporate restructuring or reorganization plan of the Company) or (2) such Change in Law would not materially adversely affect the Company’s ability to make principal, premium (if any) and interest payments on the Notes when due;

provided, however, that a transaction or event described in clauses (a) and (b) above shall not constitute a Fundamental Change, if at least 90% of the consideration received or to be received by holders of the ADSs, excluding cash payments for Fractional ADSs and cash payments made pursuant to dissenters’ appraisal rights, in connection with such transaction or event consists of shares of Common Equity or ADSs in respect of Common Equity that are listed or quoted on any of The Nasdaq Global Select Market, The Nasdaq Global Market or The New York Stock Exchange (or any of their respective successors) or will be so listed or quoted when issued or exchanged in connection with such transaction or event and as a result of such transaction or event such consideration, excluding cash payments for Fractional ADSs and cash payments made pursuant to dissenters’ appraisal rights, becomes the Reference Property.

“**Fundamental Change Company Notice**” shall have the meaning specified in Section 15.02(c).

“**Fundamental Change Repurchase Date**” shall have the meaning specified in Section 15.02(a).

“**Fundamental Change Repurchase Notice**” shall have the meaning specified in Section 15.02(b)(i).

“**Fundamental Change Repurchase Price**” shall have the meaning specified in Section 15.02(a).

“**Global Note**” shall have the meaning specified in Section 2.05(b).

“**Holder**,” as applied to any Note, or other similar terms (but excluding the term “beneficial holder”), shall mean any Person in whose name at the time a particular Note is registered on the Note Register.

“**Indenture**” means this instrument as originally executed or, if amended or supplemented as herein provided, as so amended or supplemented.

“**Initial Purchasers**” means Goldman Sachs (Asia) L.L.C, Deutsche Bank AG, Hong Kong Branch and China International Capital Corporation Hong Kong Securities Limited.

“**Interest Payment Date**” means each January 1 and July 1 of each year, beginning on January 1, 2026.

“**Issue Date**” means June 24, 2025.

“**Last Reported Sale Price**” of the ADSs on any date means the closing sale price per ADS (or if no closing sale price is reported, the average of the bid and ask prices or, if more than one in either case, the average of the average bid and the average ask prices) on that date as reported in composite transactions for the principal U.S. national or regional securities exchange on which the ADSs are traded. If the ADSs are not listed for trading on a U.S. national or regional securities exchange on the relevant date, the “Last Reported Sale Price” shall be the last quoted bid price for the ADSs in the over-the-counter market on the relevant date as reported by OTC Markets Group Inc. or a similar organization, and, if the ADSs are not so quoted, the “Last Reported Sale Price” shall be the average of the mid-point of the last bid and ask prices for the ADSs on the relevant date from each of at least three nationally recognized independent investment banking firms selected by the Company for this purpose. For the avoidance of doubt, if a Fundamental Change described in clause (d) of the definition thereof has occurred and the Listed Equity remain listed on a Permitted Exchange, the “Last Reported Sale Price” will be determined based on the closing sale price of the Listed Equity on the principal Permitted Exchange, with such changes to the foregoing definition (including the deletion of the second sentence in this definition) and the definition of “Trading Day” as the Board of Directors determines in good faith are necessary to reflect the replacement of ADS (or other security) with Listed Equity as set forth in a supplemental indenture to be executed by the Company and Trustee as described under Section 10.03.

“**Listed Equity**” shall have the meaning specified in Section 10.03.

“**Make-Whole Fundamental Change**” means any transaction or event described in clause (a), (b), (d) or (e) of the definition of Fundamental Change (determined after giving effect to any exceptions to or exclusions from such definition, including in the *proviso* immediately succeeding clause (e) of the definition thereof, but without regard to the *proviso* in clause (b) of the definition thereof).

“**Market Disruption Event**” means, for the purposes of determining amounts due upon conversion, (a) a failure by the primary U.S. national or regional securities exchange or market on which the ADSs are listed or admitted for trading to open for trading during its regular trading session or (b) the occurrence or existence prior to 1:00 p.m., New York City time, on any Scheduled Trading Day for the ADSs for more than one half-hour period in the aggregate during regular trading hours of any suspension or limitation imposed on trading (by reason of movements in price exceeding limits permitted by the relevant stock exchange or otherwise) in the ADSs or in any options contracts or futures contracts relating to the ADSs.

“**Maturity Date**” means July 1, 2030.

“**Merger Event**” shall have the meaning specified in Section 14.07(a).

“**Non-affiliate Restricted ADS Series Supplement**” means the Non-affiliate Restricted ADS Series Supplement, dated as of June 24, 2025, by and between the Company and the ADS Depository.

“**Note**” or “**Notes**” shall have the meaning specified in the first paragraph of the recitals of this Indenture.

“**Note Conversion Letter Agreement**” means the Note Conversion Letter Agreement, dated as of June 24, 2025, between the Company and the ADS Depository or, if amended or supplemented as provided therein, as so amended or supplemented

“**Notes Fungibility Date**” means the date, if any, following the Resale Restriction Termination Date on which all of the Notes are no longer Restricted Securities, do not bear the restrictive legend required by Section 2.05(c) and are assigned an identical, unrestricted CUSIP number.

“**Note Register**” shall have the meaning specified in Section 2.05(a).

“**Note Registrar**” shall have the meaning specified in Section 2.05(a).

“**Notice of Conversion**” shall have the meaning specified in Section 14.02(b).

“**Observation Period**” with respect to any Note surrendered for conversion means: (i) subject to clause (ii), if the relevant Conversion Date occurs prior to the 95th Scheduled Trading Day immediately preceding the Maturity Date, the 90 consecutive Trading Day period beginning on, and including, the second Scheduled Trading Day immediately succeeding such Conversion Date; (ii) if the relevant Conversion Date occurs on or after the date of the Company’s issuance of a Redemption Notice with respect to the Notes pursuant to Article 16 and prior to the relevant Redemption Date, the 90 consecutive Trading Days beginning on, and including, the 92nd Scheduled Trading Day immediately preceding such Redemption Date; and (iii) subject to clause (ii), if the relevant Conversion Date occurs on or after the 95th Scheduled Trading Day immediately preceding the Maturity Date, the 90 consecutive Trading Days beginning on, and including, the 92nd Scheduled Trading Day immediately preceding the Maturity Date.

“**Offering Memorandum**” means the preliminary offering memorandum dated June 19, 2025, as supplemented by the pricing term sheet dated June 20, 2025, relating to the offering and sale of the Notes.

“**Officer**” means, with respect to the Company, the President, the Chief Executive Officer, the Chief Financial Officer, the Treasurer, the Secretary, any Executive or Senior Vice President, any Vice President (whether or not designated by a number or numbers or word or words added before or after the title “Vice President”) or an authorized representative of the Company.

“**Officers’ Certificate**,” when used with respect to the Company, means a certificate that is delivered to the Trustee and that is signed by (a) two Officers of the Company or (b) one Officer of the Company and one of any Assistant Treasurer, any Assistant Secretary or General Counsel or the Controller of the Company. Each such certificate shall include the statements provided for in Section 17.06 if and to the extent required by the provisions of such Section. One of the Officers giving an Officers’ Certificate pursuant to Section 4.09 shall be the principal executive, financial or accounting officer of the Company.

“**Omnibus Restricted ADS Letter Agreement**” means the Omnibus Restricted ADS Letter Agreement, dated as of June 24, 2025, by and between the Company and the ADS Depository.

“**open of business**” means 9:00 a.m. (New York City time).

“**Opinion of Counsel**” means an opinion in writing signed by legal counsel, who may be counsel to the Company, or other counsel who is reasonably acceptable to the Trustee, that is delivered to the Trustee, which opinion may contain customary exceptions and qualifications as to matters set forth therein. Each such opinion shall include the statements provided for in Section 17.06 if and to the extent required by the provisions of such Section 17.06.

“**Ordinary Shares**” means Class A ordinary shares of the Company, par value US\$0.00001 per share, at the date of this Indenture, subject to Section 14.07.

“**outstanding**,” when used with reference to Notes, shall, subject to the provisions of Section 8.04, mean, as of any particular time, all Notes authenticated and delivered by the Trustee under this Indenture, except:

Notes theretofore canceled by the Trustee or accepted by the Trustee for cancellation;

Notes, or portions thereof, that have become due and payable and in respect of which monies in the necessary amount shall have been deposited with the Trustee, ADS Depository or with any Paying Agent (other than the Company) or shall have been set aside and segregated in trust by the Company (if the Company shall act as its own Paying Agent);

Notes that have been paid pursuant to Section 2.06 or Notes in lieu of which, or in substitution for which, other Notes shall have been authenticated and delivered pursuant to the terms of Section 2.06 unless proof satisfactory to the Trustee is presented that any such Notes are held by protected purchasers in due course;

Notes converted pursuant to Article 14 and required to be cancelled pursuant to Section 2.08;

Notes redeemed pursuant to Article 16; and

Notes repurchased by the Company pursuant to the third sentence of Section 2.10.

“**Paying Agent**” shall have the meaning specified in Section 4.02.

“**Paying Agent Office**” means the designated office of the Paying Agent at which at any time this Indenture shall be administered, which office at the date hereof is the Corporate Trust Office.

“**Permitted Exchange**” means The Singapore Exchange, The Stock Exchange of Hong Kong Limited or The London Stock Exchange (or any of their respective successors).

“**Permitted Holder**” means Shaofeng Gu and any other “person” or “group” subject to aggregation or attribution of the Company’s share capital with such person under Section 13(d) of the Exchange Act.

“**Person**” means an individual, a corporation, a limited liability company, an association, a partnership, a joint venture, a joint stock company, a trust, an unincorporated organization or a government or an agency or a political subdivision thereof.

“**Physical Notes**” means permanent certificated Notes in registered form issued in denominations of US\$1,000 principal amount and multiples thereof.

“**Physical Settlement**” shall have the meaning specified in Section 14.02(a).

“**PRC**” means the People’s Republic of China, excluding, for the purpose of this Indenture only, Taiwan, Hong Kong, and Macau.

“**Predecessor Note**” of any particular Note means every previous Note evidencing all or a portion of the same debt as that evidenced by such particular Note; and, for the purposes of this definition, any Note authenticated and delivered under Section 2.06 in lieu of or in exchange for a mutilated, lost, destroyed or stolen Note shall be deemed to evidence the same debt as the mutilated, lost, destroyed or stolen Note that it replaces.

“**Record Date**” means, with respect to any dividend, distribution or other transaction or event in which the holders of the ADSs (or other applicable security) have the right to receive any cash, securities or other property or in which the ADSs (or other applicable security) are exchanged for or converted into any combination of cash, securities or other property, the date fixed for determination of holders of the ADSs (or other applicable security) entitled to receive such cash, securities or other property (whether such date is fixed by the Board of Directors, statute, contract or otherwise).

“**Redemption Date**” means the Tax Redemption Date or Cleanup Redemption Date, as the case may be.

“**Redemption Notice**” means the Tax Redemption Notice or Cleanup Redemption Notice, as the case may be.

“**Redemption Price**” means the Tax Redemption Price or Cleanup Redemption Price, as the case may be.

“**Redemption Reference Date**” shall have the meaning specified in Section 14.03(g).

“**Redemption Reference Price**” shall have the meaning specified in Section 14.03(g).

“**Reference Date**” shall have the meaning specified in Section 10.03.

“**Reference Property**” shall have the meaning specified in Section 14.07(a).

“**Reference Property Unit**” shall have the meaning specified in Section 14.07(a).

“**Regular Record Date**,” with respect to any Interest Payment Date, shall mean June 15 or December 15 (whether or not such day is a Business Day).

“**Relevant Jurisdiction**” shall have the meaning specified in Section 4.07(a).

“**Repurchase Date**” shall have the meaning specified in Section 15.01(a).

“**Repurchase Expiration Time**” shall have the meaning specified in Section 15.01(a).

“**Repurchase Notice**” shall have the meaning specified in Section 15.01(a).

“**Repurchase Price**” shall have the meaning specified in Section 15.01(a).

“**Resale Restriction Termination Date**” shall have the meaning specified in Section 2.05(c).

“**Responsible Officer**” means, when used with respect to the Trustee, any officer within the Corporate Trust department of the Trustee, including any vice president, assistant vice president, secretary, assistant secretary, treasurer, assistant treasurer, senior trust officer, trust officer or any other officer of the Trustee who customarily performs functions similar to those performed by Persons who at the time shall be officers, respectively, or to whom any corporate trust matter relating to this Indenture is referred because of such Person’s knowledge of and familiarity with the particular subject and, in each case, who shall have direct responsibility for the administration of this Indenture.

“**Restricted Securities**” shall have the meaning specified in Section 2.05(c).

“**Rule 144**” means Rule 144 as promulgated under the Securities Act.

“**Rule 144A**” means Rule 144A as promulgated under the Securities Act.

“**Scheduled Trading Day**” means a day that is scheduled to be a Trading Day on the principal U.S. national or regional securities exchange or market on which the ADSs are listed or admitted for trading. If the ADSs are not so listed or admitted for trading, “**Scheduled Trading Day**” means a Business Day.

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

“**Settlement Amount**” has the meaning specified in Section 14.02(a)(v).

“**Settlement Method**” means, with respect to any conversion of Notes, Physical Settlement, Cash Settlement or Combination Settlement, as elected (or deemed to have been elected) by the Company.

“**Settlement Method Election Deadline**” shall have the meaning specified in Section 14.02(a)(i).

“**Settlement Notice**” has the meaning specified in Section 14.02(a)(i).

“**Specified Dollar Amount**” means the maximum cash amount per US\$1,000 principal amount of Notes to be received upon conversion as specified in the Settlement Notice related to any converted Notes (or deemed specified pursuant to Section 14.02(a)(i)).

“**Spin-Off**” shall have the meaning specified in Section 14.04(c).

“**Subsidiary**” means, with respect to any Person, any corporation, association, partnership or other business entity of which more than 50% of the total voting power of shares of Capital Stock or other interests (including partnership interests) entitled (without regard to the occurrence of any contingency) to vote in the election of directors, managers, general partners or trustees thereof is at the time owned or controlled, directly or indirectly, by (i) such Person; (ii) such Person and one or more Subsidiaries of such Person; or (iii) one or more Subsidiaries of such Person. For the avoidance of doubt, the term “Subsidiary” or “Subsidiaries” shall include the Company’s Consolidated Variable Interest Entities, including its variable interest entities and their Subsidiaries.

“**Successor Company**” shall have the meaning specified in Section 11.01(a).

“**Tax Redemption**” shall have the meaning specified in Section 16.01.

“**Tax Redemption Date**” shall have the meaning specified in Section 16.01.

“**Tax Redemption Notice**” shall have the meaning specified in Section 16.01.

“**Tax Redemption Price**” shall have the meaning specified in Section 16.01.

“**Tender/Exchange Offer Consideration**” shall have the meaning specified in Section 14.04(e).

“**Trading Day**” means a day on which (i) trading in the ADSs (or other security for which a closing sale price must be determined) generally occurs on The New York Stock Exchange or, if the ADSs (or such other security) are not then listed on The New York Stock Exchange, on the principal other U.S. national or regional securities exchange on which the ADSs (or such other security) are then listed or, if the ADSs (or such other security) are not then listed on a U.S. national or regional securities exchange, on the principal other market on which the ADSs (or such other security) are then traded and (ii) a Last Reported Sale Price for the ADSs (or closing sale price for such other security) is available on such securities exchange or market; *provided* that if the ADSs (or such other security) are not so listed or traded, “Trading Day” means a Business Day.; and *provided further*, that for the purposes of determining the settlement amounts due upon conversion only, “Trading Day” means a day on which (i) there is no Market Disruption Event and (ii) trading in the ADSs generally occurs on The New York Stock Exchange or, if the ADSs are not then listed on The New York Stock Exchange, on the principal other U.S. national or regional securities exchange on which the ADSs are then listed or, if the ADSs are not then listed on a U.S. national or regional securities exchange, on the principal other market on which the ADSs are then listed or admitted for trading, except if the ADSs are not so listed or admitted for trading, “Trading Day” means a “Business Day.”

“**transfer**” shall have the meaning specified in Section 2.05(c).

“**Transfer Agent**” shall have the meaning specified in Section 2.05(a).

“**Trigger Event**” shall have the meaning specified in Section 14.04(c).

“**Trust Indenture Act**” means the Trust Indenture Act of 1939, as amended, as it was in force at the date of execution of this Indenture; *provided, however*, that in the event the Trust Indenture Act of 1939 is amended after the date hereof, the term “Trust Indenture Act” shall mean, to the extent required by such amendment, the Trust Indenture Act of 1939, as so amended.

“**Trustee**” means the Person named as the “Trustee” in the first paragraph of this Indenture until a successor trustee shall have become such pursuant to the applicable provisions of this Indenture, and thereafter “Trustee” shall mean or include each Person who is then a Trustee hereunder.

“**Valuation Period**” shall have the meaning specified in Section 14.04(c).

Section 1.02 *References to Interest*

. Unless the context otherwise requires, any reference to interest on, or in respect of, any Note in this Indenture shall be deemed to include Additional Interest if, in such context, Additional Interest is, was or would be payable pursuant to any of Section 4.06(d), Section 4.06(e) and Section 6.03. Unless the context otherwise requires, any express mention of Additional Interest in any provision hereof shall not be construed as excluding Additional Interest in those provisions hereof where such express mention is not made.

ARTICLE 2 ISSUE, DESCRIPTION, EXECUTION, REGISTRATION AND EXCHANGE OF NOTES

Section 2.01 *Designation and Amount*. The Notes shall be designated as the “2.50% Convertible Senior Notes due 2030.” The aggregate principal amount of Notes that may be authenticated and delivered under this Indenture is initially limited to US\$150,000,000, subject to Section 2.10 and except for Notes authenticated and delivered upon registration or transfer of, or in exchange for, or in lieu of other Notes pursuant to Section 2.05, Section 2.06, Section 2.07, Section 10.04, Section 14.02 and Section 15.04.

Section 2.02 *Form of Notes*. The Notes and the Trustee's certificate of authentication to be borne by such Notes shall be substantially in the respective forms set forth in Exhibit A, the terms and provisions of which shall constitute, and are hereby expressly incorporated in and made a part of this Indenture. To the extent applicable, the Company and the Trustee, by their execution and delivery of this Indenture, expressly agree to such terms and provisions and to be bound thereby.

Any Global Note may be endorsed with or have incorporated in the text thereof such legends or recitals or changes not inconsistent with the provisions of this Indenture as may be required by the Depository, or as may be required to comply with any applicable law or any regulation thereunder or with the rules and regulations of any securities exchange or automated quotation system upon which the Notes may be listed or traded or designated for issuance or to conform with any usage with respect thereto, or to indicate any special limitations or restrictions to which any particular Notes are subject.

Any of the Notes may have such letters, numbers or other marks of identification and such notations, legends or endorsements as the Officers executing the same may approve (execution thereof to be conclusive evidence of such approval) and as are not inconsistent with the provisions of this Indenture, or as may be required to comply with any law or with any rule or regulation made pursuant thereto or with any rule or regulation of any securities exchange or automated quotation system on which the Notes may be listed or designated for issuance, or to conform to usage or to indicate any special limitations or restrictions to which any particular Notes are subject.

Each Global Note shall represent such principal amount of the outstanding Notes as shall be specified therein and shall provide that it shall represent the aggregate principal amount of outstanding Notes from time to time endorsed thereon and that the aggregate principal amount of outstanding Notes represented thereby may from time to time be increased or reduced to reflect redemptions, repurchases, cancellations, conversions, transfers or exchanges permitted hereby. Any endorsement of a Global Note to reflect the amount of any increase or decrease in the amount of outstanding Notes represented thereby shall be made by the Trustee, at the direction of the Trustee, in such manner and upon instructions given by the Holder of such Notes in accordance with this Indenture. Payment of principal (including the Redemption Price, the Repurchase Price and the Fundamental Change Repurchase Price, if applicable) of, and accrued and unpaid interest on, a Global Note shall be made to the Holder of such Note on the date of payment, unless a record date or other means of determining Holders eligible to receive payment is provided for herein.

Section 2.03 *Date and Denomination of Notes; Payments of Interest and Defaulted Amounts*. (a) The Notes shall be issuable in registered form without coupons in denominations of US\$1,000 principal amount and integral multiples thereof. Each Note shall be dated the date of its authentication and shall bear interest, if any, from, and including, the date specified on the face of such Note. Accrued interest, if any, on the Notes shall be computed on the basis of a 360-day year composed of twelve 30-day months and, for partial months, on the basis of the number of days actually elapsed in a 30-day month.

(b) The Person in whose name any Note (or its Predecessor Note) is registered on the Note Register at the close of business on any Regular Record Date with respect to any Interest Payment Date shall be entitled to receive the interest payable on such Interest Payment Date. Interest (x) in the case of any Physical Note, shall be payable at the office or agency of the Company maintained by the Company for such purposes in the contiguous United States of America, which shall initially be the Corporate Trust Office, and (y) in the case of any Global Note, shall be payable by wire transfer of immediately available funds to the account of the Depository or its nominee. The Company shall pay or cause the Paying Agent (to the extent funded by the Company) to pay interest (i) on any Physical Notes, to Holders holding Physical Notes by wire transfer in immediately available funds to that Holder's account within the United States, which application shall remain in effect until the Holder notifies, in writing, the Note Registrar to the contrary or (ii) on any Global Note by wire transfer of immediately available funds to the account of the Depository or its nominee.

(c) Any Defaulted Amounts shall forthwith cease to be payable to the Holder on the relevant payment date but shall accrue interest per annum at the rate per annum borne by the Notes *plus* one percent, subject to the enforceability thereof under applicable law, from, and including, such relevant payment date, and such Defaulted Amounts together with such interest thereon shall be paid by the Company, at its election in each case, as provided in clause (i) or (ii) below:

(i) The Company may elect to make payment of any Defaulted Amounts to the Persons in whose names the Notes (or their respective Predecessor Notes) are registered at the close of business on a special record date for the payment of such Defaulted Amounts, which shall be fixed in the following manner. The Company shall notify the Trustee in writing of the amount of the Defaulted Amounts proposed to be paid on each Note and the date of the proposed payment (which shall be not less than 25 days after the receipt by the Trustee of such notice, unless the Trustee shall consent to an earlier date), and at the same time the Company shall deposit with the Trustee an amount of money equal to the aggregate amount to be paid in respect of such Defaulted Amounts or shall make arrangements satisfactory to the Trustee for such deposit on or prior to the date of the proposed payment, such money when deposited to be held in trust for the benefit of the Persons entitled to such Defaulted Amounts as in this clause provided. Thereupon the Company shall fix a special record date for the payment of such Defaulted Amounts which shall be not more than 15 days and not less than 10 days prior to the date of the proposed payment, and not less than 10 days after the receipt by the Trustee of the notice of the proposed payment. The Company shall promptly notify the Trustee in writing of such special record date and the Trustee, in the name and at the expense of the Company, shall cause notice of the proposed payment of such Defaulted Amounts and the special record date therefor to be delivered to each Holder not less than 10 days prior to such special record date. Notice of the proposed payment of such Defaulted Amounts and the special record date therefor having been so delivered, such Defaulted Amounts shall be paid to the Persons in whose names the Notes (or their respective Predecessor Notes) are registered at the close of business on such special record date and shall no longer be payable pursuant to the following clause (ii) of this Section 2.03(c).

(ii) The Company may make payment of any Defaulted Amounts in any other lawful manner not inconsistent with the requirements of any securities exchange or automated quotation system on which the Notes may be listed or designated for issuance, and upon such notice as may be required by such exchange or automated quotation system, if, after written notice given by the Company to the Trustee of the proposed payment pursuant to this clause, such manner of payment shall be deemed satisfactory to the Trustee.

Section 2.04 *Execution, Authentication and Delivery of Notes*. The Notes shall be signed in the name and on behalf of the Company by the manual, electronic or facsimile signature of its Chief Executive Officer, President, Chief Financial Officer, Treasurer, Secretary or any of its Executive or Senior Vice Presidents. With the delivery of this Indenture, the Company is furnishing, and from time to time thereafter may furnish, a certificate substantially in the form of Exhibit B (an "Authorization Certificate") identifying and certifying the incumbency and specimen (and/or facsimile) signatures of its active authorized Officers. Until the Trustee receives a subsequent Authorization Certificate, the Trustee shall be entitled to conclusively rely on the last Authorization Certificate delivered to it for purposes of determining the relevant authorized Officers. Typographical and other minor errors or defects in any signature shall not affect the validity or enforceability of any Note which has been duly authenticated and delivered by the Trustee.

At any time and from time to time after the execution and delivery of this Indenture, the Company may deliver Notes executed by the Company to the Trustee for authentication, together with a Company Order for the authentication and delivery of such Notes, and the Trustee in accordance with such Company Order shall authenticate and deliver such Notes, without any further action by the Company hereunder.

The Company Order shall specify the amount of Notes to be authenticated, and the applicable rate at which interest will accrue on such Notes. The Trustee shall thereupon authenticate and deliver said Notes to or upon the written order of the Company (as set forth in such Company Order).

The Trustee shall have the right to decline to authenticate and deliver any Notes under this Section (a) unless and until it receives from the Company a Company Order instructing it to so authenticate and deliver such Notes and, if requested by the Trustee, an Officers' Certificate and an Opinion of Counsel in accordance with Section 17.06 hereof; (b) if the Trustee determines that such action may not lawfully be taken; or (c) if the Trustee determines that such action would expose the Trustee to personal liability, unless indemnity and/or security and/or pre-funding satisfactory to the Trustee against such liability is provided to the Trustee and the Note Registrar.

Only such Notes as shall bear thereon a certificate of authentication substantially in the form set forth on the Form of Note, executed manually or electronically by an authorized officer of the Trustee, shall be entitled to the benefits of this Indenture or be valid or obligatory for any purpose. Such certificate by the Trustee upon any Note executed by the Company shall be conclusive evidence that the Note so authenticated has been duly authenticated and delivered hereunder and that the Holder is entitled to the benefits of this Indenture.

In case any Officer of the Company who shall have signed any of the Notes shall cease to be such Officer before the Notes so signed shall have been authenticated and delivered by the Trustee, or disposed of by the Company, such Notes nevertheless may be authenticated and delivered or disposed of as though the Person who signed such Notes had not ceased to be such Officer of the Company; and any Note may be signed on behalf of the Company by such Persons as, at the actual date of the execution of such Note, shall be the Officers of the Company, although at the date of the execution of this Indenture any such Person was not such an Officer.

Section 2.05 *Exchange and Registration of Transfer of Notes; Restrictions on Transfer; Depositary.* (a) The Company shall cause to be kept at the Paying Agent Office a register (the register maintained in such office or in any other office or agency of the Company designated pursuant to Section 4.02, the “Note Register”) in which, subject to such reasonable regulations as it may prescribe, the Company shall provide for the registration of Notes and of transfers of Notes. Such register shall be in written form or in any form capable of being converted into written form within a reasonable period of time. Citibank, N.A. is hereby initially appointed the “Note Registrar” and “Transfer Agent” for the purpose of registering Notes and transfers of Notes as herein provided. The Company may appoint one or more co-Note Registrars in accordance with Section 4.02.

Prior to the Notes Fungibility Date, upon surrender for registration of transfer of any Note to the Note Registrar or any co-Note Registrar, and satisfaction of the requirements for such transfer set forth in this Section 2.05, the Company shall execute, and upon receipt of a Company Order, the Trustee shall authenticate and deliver, in the name of the designated transferee or transferees, one or more new Notes of any authorized denominations and of a like aggregate principal amount and bearing such restrictive legends as may be required by this Indenture. Following the Notes Fungibility Date, upon surrender for registration of transfer of any Note to the Note Registrar or any co-Note Registrar, and satisfaction of the requirements for such transfer set forth in this Section 2.05, the Company shall execute, and upon receipt of a Company Order, the Trustee shall authenticate and deliver, in the name of the designated transferee or transferees, one or more new Notes of any authorized denominations and of a like aggregate principal amount and not bearing the restrictive legends required by Section 2.05(c).

Prior to the Notes Fungibility Date, Notes may be exchanged for other Notes of any authorized denominations and of a like aggregate principal amount, upon surrender of the Notes to be exchanged at any such office or agency maintained by the Company pursuant to Section 4.02. Whenever any Notes are so surrendered for exchange, the Company shall execute, and the Trustee shall authenticate and deliver, the Notes that the Holder making the exchange is entitled to receive, bearing registration numbers not contemporaneously outstanding. Following the Notes Fungibility Date, Notes may be exchanged for other Notes of any authorized denominations and of a like aggregate principal amount but not bearing the restrictive legend required by Section 2.05(c), upon surrender of the Notes to be exchanged at any such office or agency maintained by the Company pursuant to Section 4.02. Whenever any Notes are so surrendered for exchange, the Company shall execute, and upon receipt of a Company Order, the Trustee shall authenticate and deliver, the Notes that the Holder making the exchange is entitled to receive, bearing registration numbers not contemporaneously outstanding.

All Notes presented or surrendered for registration of transfer or for exchange, repurchase or conversion shall (if so required by the Company, the Trustee, the Note Registrar or any co-Note Registrar) be duly endorsed, or be accompanied by a written instrument or instruments of transfer in form satisfactory to the Note Registrar and the Company and duly executed, by the Holder thereof or its attorney-in-fact duly authorized in writing.

No service charge shall be imposed by the Company, the Trustee, the Transfer Agent, the Conversion Agent, the Note Registrar, any co-Note Registrar or the Paying Agent for any exchange or registration of transfer of Notes, but the Company may require a Holder to pay a sum sufficient to cover any documentary, stamp or similar issue or transfer tax required in connection therewith as a result of the name of the Holder of new Notes issued upon such exchange or registration of transfer being different from the name of the Holder of the old Notes surrendered for exchange or registration of transfer. The Company shall pay the ADS Depository's fees for issuance of all ADSs deliverable upon conversion of the Notes.

None of the Company, the Trustee, the Conversion Agent, the Transfer Agent, the Paying Agent, the Note Registrar or any co-Note Registrar shall be required to exchange or register a transfer of (i) any Notes surrendered for conversion or, if a portion of any Note is surrendered for conversion, such portion thereof surrendered for conversion, (ii) any Notes, or a portion of any Note, surrendered for repurchase (and not withdrawn) in accordance with Article 15 or (iii) any Notes selected for redemption in accordance with Article 16.

All Notes issued upon any registration of transfer or exchange of Notes in accordance with this Indenture shall be the valid obligations of the Company, evidencing the same debt, and entitled to the same benefits under this Indenture as the Notes surrendered upon such registration of transfer or exchange.

The Trustee shall have no responsibility or obligation to any direct or indirect participant or any other Person with respect to the accuracy of the books or records, or the acts or omissions, of the Depository or its nominee or of any participant or member thereof, with respect to any ownership interest in the Notes or with respect to the delivery to any direct or indirect participant or other Person (other than the Depository and any other registered Holder of Notes) of any notice (including any Redemption Notice pursuant to Article 16) or the payment of any amount, under or with respect to such Notes. All notices and communications to be given to the Holders and all payments to be made to Holders under the Notes shall be given or made only to or upon the order of the registered Holders (which shall be the Depository or its nominee in the case of a Global Note). The rights of beneficial owners in any Global Note shall be exercised only through the Depository subject to the customary procedures of the Depository. The Trustee may rely and shall be fully protected in relying upon information furnished by the Depository with respect to its direct or indirect participants.

Neither the Note Registrar nor the Trustee shall have any obligation or duty to monitor, determine or inquire as to compliance with any restrictions on transfer imposed under this Indenture or under applicable law with respect to any transfer of any interest in any Note (including any transfers between or among direct or indirect participants in any Global Note) other than to require delivery of such certificates as are expressly required by, and to do so if and when expressly required by, the terms of this Indenture, and to examine the same to determine substantial compliance as to form with the express requirements hereof.

(b) So long as the Notes are eligible for book-entry settlement with the Depositary, unless otherwise required by law, subject to the fourth paragraph from the end of Section 2.05(c) all Notes shall be represented by one or more Notes in global form (each, a “**Global Note**”) registered in the name of the Depositary or the nominee of the Depositary. The transfer and exchange of beneficial interests in a Global Note that does not involve the issuance of a Physical Note shall be effected through the Depositary (but not through the Trustee) in accordance with this Indenture (including the restrictions on transfer set forth herein) and the procedures of the Depositary therefor.

(c) Every Note that bears or is required under this Section 2.05(c) to bear the legend set forth in this Section 2.05(c) (together with any ADSs (including the Ordinary Shares represented thereby) delivered upon conversion of the Notes that are required to bear the legend set forth in Section 2.05(d), collectively, the “**Restricted Securities**”) shall be subject to the restrictions on transfer set forth in this Section 2.05(c) (including the legend set forth below), unless such restrictions on transfer shall be eliminated or otherwise waived by written consent of the Company, and the Holder of each such Restricted Security, by such Holder’s acceptance thereof, agrees to be bound by all such restrictions on transfer. As used in this Section 2.05(c) and Section 2.05(d), the term “**transfer**” encompasses any sale, pledge, transfer or other disposition whatsoever of any Restricted Security.

Until the date (the “**Resale Restriction Termination Date**”) that is the later of (1) the date that is one year after the Issue Date, or such shorter period of time as permitted by Rule 144 under the Securities Act or any successor provision thereto, and (2) such later date, if any, as may be required by applicable law, any certificate evidencing Notes (and all securities issued in exchange therefor or substitution thereof, other than ADSs (including the Ordinary Shares represented thereby) issued upon conversion thereof, which shall bear the legend or be subject to certain transfer restrictions, in each case, set forth in Section 2.05(d), if applicable) shall bear a legend in substantially the following form (unless such Notes have been transferred pursuant to a registration statement that has become or been declared effective under the Securities Act and that continues to be effective at the time of such transfer, or pursuant to the exemption from registration provided by Rule 144 under the Securities Act or any similar provision then in force under the Securities Act, or unless otherwise agreed by the Company in writing, with notice thereof to the Trustee):

THIS SECURITY, THE AMERICAN DEPOSITARY SHARES DELIVERABLE UPON CONVERSION OF THIS SECURITY, IF ANY, AND THE CLASS A ORDINARY SHARES REPRESENTED THEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”), ARE “RESTRICTED SECURITIES” WITHIN THE MEANING OF RULE 144 UNDER THE SECURITIES ACT OR CONTRACTUALLY RESTRICTED SECURITIES, AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT IN ACCORDANCE WITH THE FOLLOWING SENTENCE. BY ITS ACQUISITION HEREOF OR OF A BENEFICIAL INTEREST HEREIN, THE ACQUIRER:

(1) REPRESENTS THAT IT AND ANY ACCOUNT FOR WHICH IT IS ACTING IS A “QUALIFIED INSTITUTIONAL BUYER” (WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT) AND THAT IT EXERCISES SOLE INVESTMENT DISCRETION WITH RESPECT TO EACH SUCH ACCOUNT AND THAT IT AND ANY SUCH ACCOUNT IS NOT, AND HAS NOT BEEN FOR THE IMMEDIATELY PRECEDING THREE MONTHS, AN AFFILIATE OF FINVOLUTION GROUP (THE “COMPANY”), AND

(2) AGREES FOR THE BENEFIT OF THE COMPANY THAT IT WILL NOT OFFER, SELL, PLEDGE OR OTHERWISE TRANSFER THIS SECURITY, THE AMERICAN DEPOSITARY SHARES DELIVERABLE UPON CONVERSION OF THIS SECURITY, IF ANY, AND THE CLASS A ORDINARY SHARES REPRESENTED THEREBY OR ANY BENEFICIAL INTEREST HEREIN OR THEREIN PRIOR TO THE DATE THAT IS THE LATER OF (X) ONE YEAR AFTER THE ISSUE DATE OR SUCH SHORTER PERIOD OF TIME AS PERMITTED BY RULE 144 UNDER THE SECURITIES ACT OR ANY SUCCESSOR PROVISION THERETO AND (Y) SUCH LATER DATE, IF ANY, AS MAY BE REQUIRED BY APPLICABLE LAW, EXCEPT:

(A) TO THE COMPANY OR ANY SUBSIDIARY THEREOF, OR

(B) PURSUANT TO A REGISTRATION STATEMENT WHICH HAS BECOME EFFECTIVE UNDER THE SECURITIES ACT, OR

(C) TO A PERSON REASONABLY BELIEVED TO BE A QUALIFIED INSTITUTIONAL BUYER IN COMPLIANCE WITH RULE 144A UNDER THE SECURITIES ACT, OR

(D) PURSUANT TO AN EXEMPTION FROM REGISTRATION PROVIDED BY RULE 144 UNDER THE SECURITIES ACT (IF AVAILABLE); OR

(E) PURSUANT TO ANY OTHER EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT.

PRIOR TO THE REGISTRATION OF ANY TRANSFER IN ACCORDANCE WITH (2)(D) OR (2)(E) ABOVE, THE COMPANY, THE ADS DEPOSITARY AND THE TRUSTEE RESERVE THE RIGHT TO REQUIRE THE DELIVERY OF SUCH LEGAL OPINIONS, CERTIFICATIONS OR OTHER EVIDENCE AS MAY REASONABLY BE REQUIRED IN ORDER TO DETERMINE THAT THE PROPOSED TRANSFER IS BEING MADE IN COMPLIANCE WITH THE SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS. NO REPRESENTATION IS MADE AS TO THE AVAILABILITY OF ANY EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT.

NO AFFILIATE (AS DEFINED IN RULE 144 UNDER THE SECURITIES ACT) OF THE COMPANY OR PERSON THAT HAS BEEN AN AFFILIATE (AS DEFINED IN RULE 144 UNDER THE SECURITIES ACT) OF THE COMPANY DURING THE THREE IMMEDIATELY PRECEDING MONTHS MAY PURCHASE, OTHERWISE ACQUIRE OR OWN THIS NOTE, THE AMERICAN DEPOSITARY SHARES DELIVERABLE UPON CONVERSION HEREOF, IF ANY, AND THE CLASS A ORDINARY SHARES REPRESENTED THEREBY, OR A BENEFICIAL INTEREST HEREIN OR THEREIN.

No transfer of any Note prior to the Resale Restriction Termination Date will be registered by the Note Registrar unless the applicable box on the Form of Assignment and Transfer has been checked.

Any Note (or security issued in exchange or substitution therefor) as to which such restrictions on transfer shall have expired in accordance with their terms may, upon surrender of such Note for exchange to the Note Registrar in accordance with the provisions of this Section 2.05, be exchanged for a new Note or Notes, of like tenor and aggregate principal amount, which shall not bear the restrictive legend required by this Section 2.05(c) and shall not be assigned a restricted CUSIP number. The Company shall be entitled to instruct the Trustee in writing to so surrender any Global Note as to which such restrictions on transfer shall have expired in accordance with their terms for exchange, and, upon such instruction, the Trustee shall so surrender such Global Note for exchange; and any new Global Note so exchanged therefor shall not bear the restrictive legend specified in this Section 2.05(c) and shall not be assigned a restricted CUSIP number. The Company shall promptly notify the Trustee in writing upon the occurrence of the Resale Restriction Termination Date and after a registration statement, if, any, with respect to the Notes or the ADSs (including the Ordinary Shares represented thereby) issued upon conversion of the Notes has been declared effective under the Securities Act.

Notwithstanding any other provisions of this Indenture (other than the provisions set forth in this Section 2.05(c)), a Global Note may not be transferred as a whole or in part except (i) by the Depositary to a nominee of the Depositary or by a nominee of the Depositary to the Depositary or another nominee of the Depositary or by the Depositary or any such nominee to a successor Depositary or a nominee of such successor Depositary and (ii) for transfers of portions of a Global Note in certificated form made upon request of a member of, or a participant in, the Depositary (for itself or on behalf of a beneficial owner) by written notice given to the Trustee by or on behalf of the Depositary in accordance with customary procedures of the Depositary and in compliance with this Section 2.05(c).

The Depositary shall be a clearing agency registered under the Exchange Act. The Company initially appoints The Depositary Trust Company to act as Depositary with respect to each Global Note. Initially, each Global Note shall be issued to the Depositary, registered in the name of Cede & Co., as the nominee of the Depositary, and deposited with the Trustee as custodian for Cede & Co.

If (i) the Depository notifies the Company at any time that the Depository is unwilling or unable to continue as depository for the Global Notes and a successor depository is not appointed within 90 days, (ii) the Depository ceases to be registered as a clearing agency under the Exchange Act and a successor depository is not appointed within 90 days or (iii) an Event of Default with respect to the Notes has occurred and is continuing and, subject to the Depository's applicable procedures, a beneficial owner of any Note requests that its beneficial interest therein be issued as a Physical Note, the Company shall execute, and the Trustee, upon receipt of an Officers' Certificate and a Company Order for the authentication and delivery of Notes, shall authenticate and deliver (x) in the case of clause (iii), a Physical Note to such beneficial owner in a principal amount equal to the principal amount of such Note corresponding to such beneficial owner's beneficial interest and (y) in the case of clause (i) or (ii), Physical Notes to each beneficial owner of the related Global Notes (or a portion thereof) in an aggregate principal amount equal to the aggregate principal amount of such Global Notes in exchange for such Global Notes, and upon delivery of the Global Notes to the Trustee such Global Notes shall be canceled.

Physical Notes issued in exchange for all or a part of the Global Note pursuant to this Section 2.05(c) shall be registered in such names and in such authorized denominations as the Depository, pursuant to instructions from its direct or indirect participants or otherwise, or, in the case of clause (iii) of the immediately preceding paragraph, the relevant beneficial owner, shall instruct the Trustee in writing. Upon execution and authentication, the Trustee shall deliver such Physical Notes to the Persons in whose names such Physical Notes are so registered.

At such time as all interests in a Global Note have been converted, canceled, repurchased, redeemed or transferred, such Global Note shall be, upon receipt thereof, canceled by the Note Registrar in accordance with standing procedures and existing instructions of the Depository. At any time prior to such cancellation, if any interest in a Global Note is exchanged for Physical Notes, converted, canceled, repurchased, redeemed or transferred to a transferee who receives Physical Notes therefor or any Physical Note is exchanged or transferred for part of such Global Note, the principal amount of such Global Note shall, in accordance with the standing procedures and existing instructions of the Depository, be appropriately reduced or increased, as the case may be, and an endorsement shall be made on such Global Note, by the Trustee, to reflect such reduction or increase.

None of the Company, the Trustee or any Agent shall have any responsibility or liability for the payment of amounts to beneficial holders, any aspect of the records relating to or payments made on account of beneficial ownership interests of a Global Note or maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

(d) Until the Resale Restriction Termination Date, any certificate representing ADSs (including the Ordinary Shares represented thereby) issued upon conversion of such Note shall bear a legend in substantially the following form (unless the Note or such ADSs (including the Ordinary Shares represented thereby) has been transferred pursuant to a registration statement that has become or been declared effective under the Securities Act and that continues to be effective at the time of such transfer, or pursuant to the exemption from registration provided by Rule 144 or any similar provision then in force under the Securities Act, or such ADS or the Ordinary Shares represented thereby have been issued upon conversion of Notes that have been transferred pursuant to a registration statement that has become or been declared effective under the Securities Act and that continues to be effective at the time of such transfer, or pursuant to the exemption from registration provided by Rule 144 under the Securities Act or any similar provision then in force under the Securities Act, or unless otherwise agreed by the Company with written notice thereof to the Note Registrar and any transfer agent for the ADSs):

THIS RESTRICTED AMERICAN DEPOSITARY RECEIPT, THE RESTRICTED AMERICAN DEPOSITARY SHARES EVIDENCED HEREBY AND THE CLASS A ORDINARY SHARES REPRESENTED THEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), ARE "RESTRICTED SECURITIES" WITHIN THE MEANING OF RULE 144 UNDER THE SECURITIES ACT OR CONTRACTUALLY RESTRICTED SECURITIES, AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT IN ACCORDANCE WITH THE FOLLOWING SENTENCE. BY ITS ACQUISITION HEREOF OR OF A BENEFICIAL INTEREST HEREIN, THE ACQUIRER:

(1) REPRESENTS THAT IT AND ANY ACCOUNT FOR WHICH IT IS ACTING IS A "QUALIFIED INSTITUTIONAL BUYER" (WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT) AND THAT IT EXERCISES SOLE INVESTMENT DISCRETION WITH RESPECT TO EACH SUCH ACCOUNT AND THAT IT AND ANY SUCH ACCOUNT IS NOT, AND HAS NOT BEEN FOR THE IMMEDIATELY PRECEDING THREE MONTHS, AN AFFILIATE OF FINVOLUTION GROUP (THE "COMPANY"), AND

(2) AGREES FOR THE BENEFIT OF THE COMPANY AND THE DEPOSITARY OF THE RESTRICTED AMERICAN DEPOSITARY SHARES THAT IT WILL NOT OFFER, SELL, PLEDGE OR OTHERWISE TRANSFER THIS RESTRICTED AMERICAN DEPOSITARY RECEIPT, THE AMERICAN DEPOSITARY SHARES EVIDENCED HEREBY AND THE CLASS A ORDINARY SHARES REPRESENTED THEREBY OR ANY BENEFICIAL INTEREST HEREIN OR THEREIN PRIOR TO THE DATE THAT IS THE LATER OF (X) ONE YEAR AFTER THE ISSUE DATE OF THE NOTES CONVERTED INTO THESE RESTRICTED AMERICAN DEPOSITARY SHARES OR SUCH SHORTER PERIOD OF TIME AS PERMITTED BY RULE 144 UNDER THE SECURITIES ACT OR ANY SUCCESSOR PROVISION THERETO AND (Y) SUCH LATER DATE, IF ANY, AS MAY BE REQUIRED BY APPLICABLE LAW, EXCEPT:

(A) TO THE COMPANY OR ANY SUBSIDIARY THEREOF, OR

(B) PURSUANT TO A REGISTRATION STATEMENT WHICH HAS BECOME EFFECTIVE UNDER THE SECURITIES ACT, OR

(C) TO A PERSON REASONABLY BELIEVED TO BE A QUALIFIED INSTITUTIONAL BUYER IN COMPLIANCE WITH RULE 144A UNDER THE SECURITIES ACT, OR

(D) PURSUANT TO AN EXEMPTION FROM REGISTRATION PROVIDED BY RULE 144 UNDER THE SECURITIES ACT (IF AVAILABLE); OR

(E) PURSUANT TO ANY OTHER EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT.

PRIOR TO THE REGISTRATION OF ANY TRANSFER IN ACCORDANCE WITH (2)(D) OR (2)(E) ABOVE, THE COMPANY AND THE DEPOSITARY FOR THE AMERICAN DEPOSITARY SHARES RESERVE THE RIGHT TO REQUIRE THE DELIVERY OF SUCH LEGAL OPINIONS, CERTIFICATIONS OR OTHER EVIDENCE AS MAY REASONABLY BE REQUIRED IN ORDER TO DETERMINE THAT THE PROPOSED TRANSFER IS BEING MADE IN COMPLIANCE WITH THE SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS. NO REPRESENTATION IS MADE AS TO THE AVAILABILITY OF ANY EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT.

NO AFFILIATE (AS DEFINED IN RULE 144 UNDER THE SECURITIES ACT) OF THE COMPANY OR PERSON THAT HAS BEEN AN AFFILIATE (AS DEFINED IN RULE 144 UNDER THE SECURITIES ACT) OF THE COMPANY DURING THE THREE IMMEDIATELY PRECEDING MONTHS MAY PURCHASE, OTHERWISE ACQUIRE OR OWN THIS RESTRICTED AMERICAN DEPOSITARY RECEIPT, THE RESTRICTED AMERICAN DEPOSITARY SHARES EVIDENCED HEREBY, AND THE CLASS A ORDINARY SHARES REPRESENTED THEREBY, OR A BENEFICIAL INTEREST HEREIN OR THEREIN.

Pursuant to the terms of the Deposit Agreement, the Omnibus Restricted ADS Letter Agreement, the Note Conversion Letter Agreement, the Affiliate Restricted ADS Series Supplement and/or the Non-affiliate Restricted ADS Series Supplement, the ADS Depositary will not accept the surrender of the certificates representing such ADSs subject to such restrictions on transfer for the purpose of withdrawal of the Ordinary Shares represented thereby prior to the Resale Restriction Termination Date. Any such ADSs as to which such restrictions on transfer shall have expired in accordance with their terms may, upon surrender of the certificates representing such ADSs for exchange in accordance with the procedures of the Deposit Agreement, the Omnibus Restricted ADS Letter Agreement, the Note Conversion Letter Agreement, the Affiliate Restricted ADS Series Supplement and/or the Non-affiliate Restricted ADS Series Supplement, as applicable, be exchanged for a new certificate or certificates for a like aggregate number of ADSs, which shall not bear the restrictive legend required by this Section 2.05(d).

(e) Any Note or ADS (and Ordinary Shares represented thereby) delivered upon the conversion or exchange of any Note that is repurchased or owned by any Affiliate of the Company may not be resold by such Affiliate (or a Holder that was the Company's Affiliate at any time during three months immediately preceding the resale) unless registered under the Securities Act or resold pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act in a transaction that results in such Note or ADS, as the case may be, no longer being a "restricted security" (as defined under Rule 144 under the Securities Act). The Company shall cause any Note that is repurchased or owned by it to be surrendered to the Note Registrar for cancellation in accordance with Section 2.08.

Section 2.06 *Mutilated, Destroyed, Lost or Stolen Notes*. In case any Note shall become mutilated or be destroyed, lost or stolen, the Company in its discretion may execute, and upon receipt of a Company Order, the Trustee shall authenticate and deliver, a new Note, bearing a registration number not contemporaneously outstanding, in exchange and substitution for the mutilated Note, or in lieu of and in substitution for the Note so destroyed, lost or stolen. In every case the applicant for a substituted Note shall furnish to the Company and to the Trustee such security, pre-funding and/or indemnity as may be required by them to save each of them harmless from any loss, liability, cost or expense caused by or connected with such substitution, and, in every case of destruction, loss or theft, the applicant shall also furnish to the Company and to the Trustee evidence to their satisfaction of the destruction, loss or theft of such Note and of the ownership thereof.

The Trustee may authenticate any such substituted Note and deliver the same upon the receipt of such security, pre-funding and/or indemnity as the Trustee and the Company may require. No service charge shall be imposed by the Company, the Transfer Agent, the Note Registrar, any co-Note Registrar or the Paying Agent upon the issuance of any substitute Note, but the Company may require a Holder to pay a sum sufficient to cover any documentary, stamp, issue, transfer or similar tax required in connection therewith as a result of the name of the Holder of the new substitute Note being different from the name of the Holder of the old Note that became mutilated or was destroyed, lost or stolen. In case any Note that has matured or is about to mature or has been surrendered for repurchase (and not withdrawn) in accordance with Article 15 or has been selected for redemption in accordance with Article 16 or is about to be converted in accordance with Article 14 shall become mutilated or be destroyed, lost or stolen, the Company may, in its sole discretion, instead of issuing a substitute Note, pay or authorize the payment of or convert or authorize the conversion of the same (without surrender thereof except in the case of a mutilated Note), as the case may be, if the applicant for such payment or conversion shall furnish to the Company and to the Trustee such security, pre-funding and/or indemnity as may be required by them to save each of them harmless for any loss, liability, cost or expense caused by or connected with such substitution, and, in every case of destruction, loss or theft, evidence satisfactory to the Company and the Trustee, and, if applicable, any Paying Agent or Conversion Agent, evidence of their satisfaction of the destruction, loss or theft of such Note and of the ownership thereof.

Every substitute Note issued pursuant to the provisions of this Section 2.06 by virtue of the fact that any Note is destroyed, lost or stolen shall constitute an additional contractual obligation of the Company, whether or not the destroyed, lost or stolen Note shall be found at any time, and shall be entitled to all the benefits of (but shall be subject to all the limitations set forth in) this Indenture equally and proportionately with any and all other Notes duly issued hereunder. To the extent permitted by law, all Notes shall be held and owned upon the express condition that the foregoing provisions are exclusive with respect to the replacement, payment, redemption, conversion or repurchase of mutilated, destroyed, lost or stolen Notes and shall preclude any and all other rights or remedies notwithstanding any law or statute existing or hereafter enacted to the contrary with respect to the replacement, payment, redemption, conversion or repurchase of negotiable instruments or other securities without their surrender.

Section 2.07 *Temporary Notes*. Pending the preparation of Physical Notes, the Company may execute and the Trustee shall, upon receipt of a Company Order, authenticate and deliver temporary Notes (printed or lithographed). Temporary Notes shall be issuable in any authorized denomination, and substantially in the form of the Physical Notes but with such omissions, insertions and variations as may be appropriate for temporary Notes, all as may be determined by the Company. Every such temporary Note shall be executed by the Company and authenticated by the Trustee upon the same conditions and in substantially the same manner, and with the same effect, as the Physical Notes. Without unreasonable delay, the Company shall execute and deliver to the Trustee Physical Notes (other than any Global Note) and thereupon any or all temporary Notes (other than any Global Note) may be surrendered in exchange therefor, at each office or agency maintained by the Company pursuant to Section 4.02 and the Trustee shall upon receipt of a Company Order authenticate and deliver in exchange for such temporary Notes an equal aggregate principal amount of Physical Notes. Such exchange shall be made by the Company at its own expense and without any charge therefor. Until so exchanged, the temporary Notes shall in all respects be entitled to the same benefits and subject to the same limitations under this Indenture as Physical Notes authenticated and delivered hereunder.

Section 2.08 *Cancellation of Notes Paid, Converted, Etc.* The Company shall cause all Notes surrendered for the purpose of payment, repurchase, redemption, registration of transfer or exchange or conversion, if surrendered to any Person other than the Trustee (including any of the Company's agents, Subsidiaries or Affiliates), to be delivered and surrendered to the Trustee for cancellation. Upon the delivery of a Company Order requesting cancellation, all Notes delivered to the Trustee shall be canceled promptly by it, and except for Notes surrendered for transfer or exchange, no Notes shall be authenticated in exchange thereof except as expressly permitted by any of the provisions of this Indenture. The Trustee shall dispose of canceled Notes in accordance with its customary procedures and, after such disposition, shall deliver a certificate of such cancellation and disposition to the Company, at the Company's written request in a Company Order.

Section 2.09 *CUSIP Numbers*. The Company in issuing the Notes may use "CUSIP" numbers (if then generally in use), and, if so, the Trustee shall use "CUSIP" numbers in all notices issued to Holders as a convenience to such Holders; provided that the Trustee shall have no liability for any defect in the "CUSIP" numbers as they appear on any Note, notice or elsewhere, and provided further that any such notice may state that no representation is made as to the correctness of such numbers either as printed on the Notes or on such notice and that reliance may be placed only on the other identification numbers printed on the Notes. The Company shall promptly notify the Trustee in writing of any change in the "CUSIP" or "ISIN" numbers, as applicable.

Section 2.10 *Additional Notes; Repurchases*. The Company may, without the consent of, or notice to, the Holders and notwithstanding Section 2.01, reopen this Indenture and issue additional Notes hereunder with the same terms as the Notes initially issued hereunder (except for any differences in the issue price, the issue date and interest accrued, if any, and, if applicable, restrictions on transfer in respect of such additional Notes) in an unlimited aggregate principal amount; provided that if any such additional Notes are not fungible with the Notes initially issued hereunder for U.S. federal income tax or securities law purposes, such additional Notes shall have a separate CUSIP, ISIN or other identifying number from the Notes. Prior to the issuance of any such additional Notes, the Company shall deliver to the Trustee a Company Order, an Officers' Certificate and an Opinion of Counsel, such Officers' Certificate and Opinion of Counsel to cover such matters, in addition to those required by Section 17.06, as the Trustee shall reasonably request. In addition, the Company may, to the extent permitted by law, and directly or indirectly (regardless of whether such Notes are surrendered to the Company), repurchase Notes in the open market or otherwise, whether by the Company or through its Subsidiaries, Consolidated Variable Interest Entities or through a private or public tender or exchange offer or through counterparties to private agreements. The Company shall cause any Notes so repurchased to be surrendered to the Note Registrar for cancellation in accordance with Section 2.08 and upon receipt of a Company Order, the Trustee shall cancel all Notes so surrendered and such Notes shall no longer be considered outstanding under this Indenture upon their repurchase. The Company may also enter into cash-settled swaps or other derivatives with respect to the Notes. For the avoidance of doubt, any Notes underlying such cash-settled swaps or other derivatives shall not be required to be surrendered to the Trustee for cancellation in accordance with Section 2.08 and will continue to be considered outstanding for purposes of this Indenture, subject to the provisions of Section 8.04.

Section 2.11 *Appointment of Authenticating Agent*. As long as any Notes remain outstanding, the Trustee may, by an instrument in writing, appoint with the approval of the Company an authenticating agent (an "Authenticating Agent"), which shall be authorized to act on behalf of the Trustee to authenticate Notes pursuant to this Indenture. Notes authenticated by such Authenticating Agent shall be entitled to the benefits of this Indenture and shall be valid and obligatory for all purposes as if authenticated by the Trustee. Whenever reference is made in this Indenture to the authentication and delivery of Notes by the Trustee or to the Trustee's certificate of authentication, such reference shall be deemed to include authentication and delivery on behalf of the Trustee by an Authenticating Agent and a certificate of authentication executed on behalf of the Trustee by an Authenticating Agent. Such Authenticating Agent shall at all times be a Person that is eligible pursuant to the Trust Indenture Act (as if the Trust Indenture Act were applicable hereto) to act as such and that has a combined capital and surplus of at least US\$50,000,000. If such Person publishes reports of condition at least annually, pursuant to law or to the requirements of any supervising or examining authority, then for the purposes of this Section, the combined capital and surplus of such Person shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published.

ARTICLE 3
SATISFACTION AND DISCHARGE

Section 3.01 *Satisfaction and Discharge*. This Indenture shall upon request of the Company contained in an Officers' Certificate be discharged and shall cease to be of further effect, and the Trustee, at the expense of the Company, shall execute proper instruments acknowledging satisfaction and discharge of this Indenture, when (a) (i) all Notes theretofore authenticated and delivered (other than (x) Notes which have been destroyed, lost or stolen and which have been replaced, paid or converted as provided in Section 2.06 and (y) Notes for whose payment money has theretofore been deposited in trust or segregated and held in trust by the Company and thereafter repaid to the Company or discharged from such trust, as provided in Section 4.04(d)) have been delivered to the Trustee for cancellation; or (ii) the Company has deposited cash with the Trustee and/or delivered to Holders (solely to satisfy the Company's Conversion Obligation, if applicable) ADSs, sufficient to pay all of (or satisfy such Conversion Obligation in respect of) the outstanding Notes, as the case may be, after the Notes have become due and payable, whether on the Maturity Date, any Redemption Date, the Repurchase Date, any Fundamental Change Repurchase Date, upon conversion or otherwise; (b) if the Company has deposited cash with the Trustee, the Trustee has received irrevocable instruction from the Company to make a payment on (or to satisfy such Conversion Obligation in respect of) the outstanding Notes, as the case may be, after the Notes have become due and payable, whether on the Maturity Date, any Redemption Date, the Repurchase Date, any Fundamental Change Repurchase Date, upon conversion or otherwise; and (c) the Company has delivered to the Trustee an Officers' Certificate and an Opinion of Counsel, each stating that all conditions precedent herein provided for relating to the satisfaction and discharge of this Indenture have been complied with. Notwithstanding the satisfaction and discharge of this Indenture, the obligations of the Company to the Trustee under Section 7.06 shall survive.

ARTICLE 4
PARTICULAR COVENANTS OF THE COMPANY

Section 4.01 *Payment of Principal and Interest*. The Company covenants and agrees that it will cause to be paid the principal (including the Redemption Price, the Repurchase Price and the Fundamental Change Repurchase Price, if applicable) of, and accrued and unpaid interest, if any, on, each of the Notes at the places, at the respective times and in the manner provided herein and in the Notes.

Section 4.02 *Maintenance of Office or Agency*. The Company will maintain an office or agency (which will be the Corporate Trust Office initially) where the Notes may be surrendered for registration of transfer or exchange or for presentation for payment or repurchase (the "Paying Agent") or for conversion (the "Conversion Agent") and where notices and demands to or upon the Company in respect of the Notes and this Indenture may be served. The Company will give prompt written notice to the Trustee of the location, and any change in the location, of such office or agency. If at any time the Company shall fail to maintain any such required office or agency or shall fail to furnish the Trustee with the address thereof, such presentations, surrenders, notices and demands may be made or served at the Corporate Trust Office, provided, however, that the legal service of process against the Company shall in no circumstance be made at an office or agency of the Trustee.

The Company may also from time to time designate as co-Note Registrars one or more other offices or agencies where the Notes may be presented or surrendered for any or all such purposes and may from time to time rescind such designations; *provided* that no such designation or rescission shall in any manner relieve the Company of its obligation to maintain an office or agency in the contiguous United States of America, for such purposes. The Company will give prompt written notice to the Trustee of any such designation or rescission and of any change in the location of any such other office or agency. The terms "**Paying Agent**" and "**Conversion Agent**" include any such additional or other offices or agencies, as applicable.

The Company hereby initially designates Citibank, N.A. as the Paying Agent, Note Registrar, Transfer Agent and Conversion Agent, and the Corporate Trust Office and the office or agency of Citibank, N.A. in the Borough of Manhattan, The City of New York, each shall be considered as one such office or agency of the Company for each of the aforesaid purposes. In acting hereunder and in connection with the Notes, the Paying Agent, Note Registrar and Conversion Agent shall act solely as an agent of the Company, and will not thereby assume any obligation towards or relationship of agency or trust for or with any Holder.

Section 4.03 *Appointments to Fill Vacancies in Trustee's Office*. The Company, whenever necessary to avoid or fill a vacancy in the office of Trustee, will appoint, in the manner provided in Section 7.09, a trustee, so that there shall at all times be a trustee hereunder.

Section 4.04 *Provisions as to Paying Agent*. (a) If the Company shall appoint a Paying Agent other than the Trustee, the Company will cause such Paying Agent to execute and deliver to the Trustee an instrument in which such agent shall agree with the Trustee, subject to the provisions of this Section 4.04:

(i) that it will hold all sums held by it as such agent for the payment of the principal (including the Redemption Price, the Repurchase Price and the Fundamental Change Repurchase Price, if applicable) of, and accrued and unpaid interest, if any, on, the Notes for the benefit of the Holders of the Notes;

(ii) that it will give the Trustee prompt written notice of any failure by the Company to make any payment of the principal (including the Redemption Price, the Repurchase Price and the Fundamental Change Repurchase Price, if applicable) of, and accrued and unpaid interest, if any, on, the Notes when the same shall be due and payable; and

(iii) that at any time during the continuance of an Event of Default, upon request of the Trustee, it will forthwith pay to the Trustee all sums so held in trust.

The Company shall, on or before each due date of the principal (including the Redemption Price, the Repurchase Price and the Fundamental Change Repurchase Price, if applicable) of, or accrued and unpaid interest, if any, on, the Notes, deposit with the Paying Agent a sum in immediately available funds sufficient to pay such principal (including the Redemption Price, the Repurchase Price and the Fundamental Change Repurchase Price, if applicable) or accrued and unpaid interest, if any, and (unless such Paying Agent is the Trustee) the Company will promptly notify the Trustee in writing of any failure to take such action; *provided* that such deposit must be received by the Paying Agent by 10:00 a.m., New York City time, on the relevant due date and if such deposit is not received by 10:00 a.m., New York City time, on the relevant due date, such deposit will be deemed deposited on the next Business Day.

(b) If the Company shall act as its own Paying Agent, it will, on or before each due date of the principal (including the Redemption Price, the Repurchase Price and the Fundamental Change Repurchase Price, if applicable) of, and accrued and unpaid interest, if any, on, the Notes, set aside, segregate and hold in trust for the benefit of the Holders of the Notes a sum sufficient to pay such principal (including the Redemption Price, the Repurchase Price and the Fundamental Change Repurchase Price, if applicable) and accrued and unpaid interest, if any, so becoming due and will promptly notify the Trustee in writing of any failure to take such action and of any failure by the Company to make any payment of the principal (including the Redemption Price, the Repurchase Price and the Fundamental Change Repurchase Price, if applicable) of, or accrued and unpaid interest, if any, on, the Notes when the same shall become due and payable.

(c) Anything in this Section 4.04 to the contrary notwithstanding, the Company may, at any time, for the purpose of obtaining a satisfaction and discharge of this Indenture, or for any other reason, pay, cause to be paid or deliver to the Trustee all sums or amounts held by the Company in trust or by any Paying Agent as required by this Section 4.04, such sums or amounts to be held by the Trustee upon the trusts herein contained and upon such payment or delivery by the Company or any Paying Agent to the Trustee, the Company or such Paying Agent shall be released from all further liability but only with respect to such sums or amounts.

(d) Any money deposited with the Trustee or any Paying Agent, or then held by the Company, in trust for the payment of principal (including the Redemption Price, the Repurchase Price and the Fundamental Change Repurchase Price, if applicable) of, and accrued and unpaid interest, if any, on, or in satisfaction of its Conversion Obligation with respect to, any Note and remaining unclaimed for two years after such principal (including the Redemption Price, the Repurchase Price and the Fundamental Change Repurchase Price, if applicable) or interest, if any, has become due and payable or such Conversion Obligation has become due shall be paid or delivered, as the case may be, to the Company on request of the Company contained in an Officers' Certificate, or (if then held by the Company) shall be discharged from such trust; and the Holder of such Note shall thereafter, as an unsecured general creditor, look only to the Company for payment thereof, and all liability of the Trustee or such Paying Agent with respect to such money or property, and all liability of the Company as trustee thereof, shall thereupon cease.

Section 4.05 *Existence*. Subject to Article 11, the Company shall do or cause to be done all things necessary to preserve and keep in full force and effect its corporate existence. The Company shall promptly provide the Trustee with written notice of any change to its name, jurisdiction of incorporation or change to its corporate organization.

Section 4.06 *Rule 144A Information Requirement and Annual Reports*. (a) At any time the Company is not subject to Section 13 or 15(d) of the Exchange Act, the Company shall, so long as any of the Notes, any ADSs deliverable upon conversion thereof, if any, or any Ordinary Shares underlying ADSs deliverable upon conversion thereof shall, at such time, constitute "restricted securities" within the meaning of Rule 144(a)(3) under the Securities Act, promptly provide to the Trustee and shall, upon written request, provide to any Holder, beneficial owner or prospective purchaser of such Notes or the ADSs deliverable upon conversion of such Notes, if any, the information required to be delivered pursuant to Rule 144A(d)(4) under the Securities Act to facilitate the resale of such Notes or ADSs pursuant to Rule 144A. The Company shall take such further action as any Holder or beneficial owner of such Notes or such ADSs may reasonably request to the extent from time to time required to enable such Holder or beneficial owner to sell such Notes or ADSs in accordance with Rule 144A, as such rule may be amended from time to time.

(b) The Company shall provide to the Trustee within 30 days after the same are required to be filed with the Commission, copies of any documents or reports that the Company is required to file with the Commission pursuant to Section 13 or 15(d) of the Exchange Act (excluding any such information, documents, or reports, or portions thereof, with respect to which the Company has received (or is actively seeking in good faith and has not been denied), confidential treatment) (giving effect to any applicable grace period provided by Rule 12b-25 under the Exchange Act). Any such document that the Company files with the Commission via the Commission's EDGAR system (or any successor thereto) shall be deemed to be filed with the Trustee for purposes of this Section 4.06(b) at the time such documents are filed via the EDGAR system (or any successor thereto). If the Notes become convertible into Reference Property consisting in whole or in part of shares of Capital Stock of any parent company of the Company pursuant to the terms of this Indenture described under Section 14.07 and such parent company provides a full and unconditional guarantee of the Notes, the Commission reports of such parent company shall be deemed to satisfy the foregoing reporting requirements of this Indenture. The Trustee shall have no obligation to determine if and when the Company's statements or reports are publicly available and/or accessible electronically.

(c) Delivery of the reports and documents described in subsection (b) above to the Trustee is for informational purposes only, and the Trustee's receipt of such shall not constitute actual or constructive notice or knowledge of any information contained therein or determinable from information contained therein, including the Company's compliance with any of its covenants hereunder (as to which the Trustee is entitled to conclusively rely on an Officers' Certificate).

(d) If, at any time during the six-month period beginning on, and including, the date that is six months after the Issue Date, the Company fails to timely file any document or report that it is required to file with the Commission pursuant to Section 13 or 15(d) of the Exchange Act, as applicable (after (i) giving effect to all applicable grace periods thereunder and (ii) other than reports on Form 6-K to the extent such reports are not required to satisfy the "current public information" requirements of Rule 144), or the Notes are not otherwise freely tradable pursuant to Rule 144 by Holders other than the Company's Affiliates or Holders that were the Company's Affiliates at any time during the three months immediately preceding (as a result of restrictions pursuant to U.S. securities laws or the terms of this Indenture or the Notes), the Company shall pay or cause the Paying Agent (on behalf of the Company and subject to receipt of funds from the Company pursuant to the last paragraph in Section 4.04(a)) to pay Additional Interest on the Notes. Such Additional Interest shall accrue on the Notes at the rate of 0.50% per annum of the principal amount of the Notes outstanding for each day during such period for which the Company's failure to file has occurred and is continuing or the period during which the Notes are not freely tradable, as described in this Section 4.06(d), by Holders other than Affiliates of the Company (or Holders that were Affiliates of the Company at any time during the three months immediately preceding). As used in this Section 4.06(d), documents or reports that the Company is required to "file" with the Commission pursuant to Section 13 or 15(d) of the Exchange Act does not include documents or reports that the Company furnishes to the Commission pursuant to Section 13 or 15(d) of the Exchange Act.

(e) If, and for so long as, the restrictive legend on the Notes specified in Section 2.05(c) has not been removed, the Notes are assigned a restricted CUSIP or the Notes are not otherwise freely tradable pursuant to Rule 144 by Holders other than the Company's Affiliates or Holders that were the Company's Affiliates at any time during the three months immediately preceding (as a result of restrictions pursuant to U.S. securities laws or the terms of this Indenture or the Notes) as of the 380th day after the Issue Date of the Notes, the Company shall pay or cause the Paying Agent to pay Additional Interest on the Notes at a rate equal to 0.50% per annum of the principal amount of Notes outstanding until the restrictive legend on the Notes has been removed in accordance with Section 2.05(c), the Notes have been assigned an unrestricted CUSIP and the Notes are freely tradable by Holders other than the Company's Affiliates or Holders that were the Company's Affiliates at any time during the three months immediately preceding (without restrictions pursuant to U.S. securities laws or the terms of this Indenture or the Notes).

(f) Except as described below, any Additional Interest will be payable in arrears on each Interest Payment Date following accrual in the same manner as regular interest on the Notes.

(g) The Additional Interest that is payable in accordance with Section 4.06(d) or Section 4.06(e) shall be in addition to, and not in lieu of, any Additional Interest that may be payable as a result of the Company's election pursuant to Section 6.03. In no event shall Additional Interest accrue on any day under the terms of this Indenture (taking any Additional Interest payable pursuant to Section 4.06(d) and Section 4.06(e) together with any Additional Interest payable pursuant to Section 6.03) at an annual rate in excess of 0.50%, in the aggregate, for any violation or Default caused by the Company's failure to be current in respect of its Exchange Act reporting obligations.

(h) If Additional Interest is payable by the Company pursuant to Section 4.06(d) or Section 4.06(e), the Company shall deliver to the Trustee an Officers' Certificate to that effect stating (i) the amount of such Additional Interest that is payable and (ii) the date on which such Additional Interest is payable. Unless and until a Responsible Officer of the Trustee receives at the Corporate Trust Office such a certificate, the Trustee may assume without inquiry that no such Additional Interest is payable. If the Company has paid such Additional Interest directly to the Persons entitled to it, the Company shall deliver to the Trustee an Officers' Certificate setting forth the particulars of such payment.

(i) The accrual of Additional Interest will be the exclusive remedy available to Holders of the Notes for a failure of their Notes to become freely tradable.

(j) Notwithstanding anything to the contrary, Additional Interest that accrues on any Note for any period on or after the de-legending deadline date of such Note will not be payable on any Interest Payment Date occurring on or after such de-legending deadline date unless (i) a Holder (or an owner of a beneficial interest in a Global Note) has delivered to the Company, before the Regular Record Date immediately before such Interest Payment Date, a written notice demanding payment of Additional Interest; or (ii) the Company, in its sole and absolute discretion, elects, by sending notice of such election to Holders before such Regular Record Date, to pay such Additional Interest on such Interest Payment Date.

Any accrued and unpaid Additional Interest that, in accordance with the provision described in the preceding sentence, is not paid on such Interest Payment Date is referred to as “Deferred Additional Interest,” and interest will automatically accrue on such Deferred Additional Interest from, and including, such Interest Payment Date at a rate per annum equal to the stated interest rate to, but excluding, the date on which such Deferred Additional Interest, together with interest thereon, is paid. Each reference in this Indenture to any accrued interest (including in the calculations of the Redemption Price and Fundamental Change Repurchase Price for any Note) or to any accrued Additional Interest includes, to the extent applicable, and without duplication, any Deferred Additional Interest, together with accrued and unpaid interest thereon.

Once any accrued and unpaid Additional Interest becomes payable on an Interest Payment Date (whether as a result of the delivery of a written notice as described above or, if earlier, the Company’s election to pay the same), Additional Interest will thereafter not be subject to deferral as described above. In addition, all accrued and unpaid Additional Interest, if any, will be paid on the Interest Payment Date occurring on the Maturity Date of the Notes, and no portion thereof may be deferred.

For the avoidance of doubt, the failure to pay any accrued and unpaid Additional Interest on an Interest Payment Date will not constitute a default or an event of default under this Indenture or the Notes if such payment is deferred in accordance with the provisions described above. Otherwise, such a failure to pay will be subject to Section 6.01(a).

The Company will send notice to the Holder of each Note (with a copy to the Trustee) of the commencement and termination of any period in which Additional Interest accrues on such Note, except that no such notice is required in respect of any Additional Interest that is deferred in accordance with the provisions described above.

The Trustee will have no duty to determine whether any Additional Interest is payable or the amount thereof or if deferred additional interest is accruing on the Notes, and may assume without inquiry that no Additional Interest is payable or has been deferred until written notice of such Additional Interest has been provided to it by the Company.

Section 4.07 *Additional Amounts*. (a) All payments and deliveries made by, or on behalf of, the Company or any successor to the Company under or with respect to this Indenture and the Notes, including payments of principal (including, if applicable, the Redemption Price, the Repurchase Price and the Fundamental Change Repurchase Price), premium, if any, payments of interest and payments of cash and/or deliveries of ADSs (together with payments of cash for any Fractional ADS or other consideration) upon conversion, shall be made without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature (including any penalties and interest related thereto) imposed or levied by or within the Cayman Islands, the PRC or any other jurisdiction in which the Company or any successor to the Company are, for tax purposes, incorporated, organized or resident or doing business (each, as applicable, a "Relevant Taxing Jurisdiction") or through which payment is made or deemed made (together with each Relevant Taxing Jurisdiction, a "Relevant Jurisdiction," and in each case, any political subdivision or taxing authority thereof or therein) unless such withholding or deduction is required by law or by regulation or governmental policy having the force of law. In the event that any such withholding or deduction is so required with respect to any such payments or deliveries (but excluding, for the avoidance of doubt, any payments or deliveries that are made upon conversion of the Notes, whether made in cash, ADSs or other consideration (including any payments of cash for any Fractional ADS or other consideration)), the Company or any successor to the Company shall pay to each Holder such additional amounts ("Additional Amounts") as may be necessary to ensure that the net amount received by the beneficial owners of the Notes after such withholding or deduction (and after deducting any taxes on the Additional Amounts) shall equal the amounts that would have been received by such beneficial owners had no such withholding or deduction been required; provided that no Additional Amounts shall be payable:

(i) for or on account of:

(A) any tax, duty, assessment or other governmental charge that would not have been imposed but for:

(1) the existence of any present or former connection between the relevant Holder or beneficial owner of such Note and the Relevant Jurisdiction, other than merely acquiring or holding such Note, receiving cash and/or ADSs (together with payments of cash for any Fractional ADS or other consideration) due upon conversion of such Note or the receipt of payments of the enforcement of rights thereunder, including, without limitation, such Holder or beneficial owner being or having been a national, domiciliary or resident of such Relevant Jurisdiction or treated as a resident thereof or being or having been physically present or engaged in a trade or business therein or having or having had a permanent establishment therein;

(2) the presentation of such Note (in cases in which presentation is required) more than 30 days after the later of the date on which the payment of the principal of (including the Redemption Price, the Repurchase Price and Fundamental Change Repurchase Price, if applicable) or interest on such Note became due and payable pursuant to the terms thereof or was made or duly provided for, unless the Holder would have been entitled to such Additional Amounts on any day on or before the last day of the 30-day period;

(3) the failure of the Holder or beneficial owner to comply with a timely request from the Company or any successor of the Company, addressed in writing to the Holder, to the extent such Holder or beneficial owner is legally entitled, to provide certification, information, documents or other evidence concerning such Holder's or beneficial owner's nationality, residence, identity or connection with the Relevant Jurisdiction, or to make any declaration or satisfy any other reporting requirement relating to such matters, if and to the extent that due and timely compliance with such request is required by statute, regulation or administrative practice of the Relevant Jurisdiction in order to reduce or eliminate any withholding or deduction as to which Additional Amounts would have otherwise been payable; or

(4) the presentation of such Note (in cases in which presentation is required) for payment in the Relevant Jurisdiction, unless such Note could not have been presented for payment elsewhere;

(B) any estate, inheritance, gift, sale, transfer, excise, personal property or similar tax, assessment or other governmental charge (other than any value added taxes imposed by the PRC or any political subdivision thereof if the Company is deemed to be a PRC tax resident);

(C) any tax, duty, assessment or other governmental charge that is payable otherwise than by withholding or deduction from payments under or with respect to the Notes;

(D) any tax, duty, or assessment or other governmental charge that is imposed in connection with any payments or deliveries that are made upon conversion of the Notes, whether made in cash, ADS or other consideration, and including, for the avoidance of doubt, any payments of cash for any Fractional ADS or other consideration;

(E) any tax, assessment, withholding or deduction required by Sections 1471 through 1474 of the Code ("FATCA"), any current or future Treasury Regulations or rulings promulgated thereunder, any law, regulation or other official guidance enacted in any jurisdiction implementing FATCA, any intergovernmental agreement between the United States and any other jurisdiction to implement FATCA or any law enacted by such other jurisdiction to give effect to such agreement, or any agreement with the U.S. Internal Revenue Service under FATCA; or

(F) any combination of taxes, duties, assessments or other governmental charges referred to in the preceding clauses (A), (B), (C), (D) or (E); or

(ii) with respect to any payment of the principal of (including the Redemption Price, the Repurchase Price and the Fundamental Change Repurchase Price, if applicable) or interest on such Note, if the Holder is a fiduciary, partnership or person other than the sole beneficial owner of that payment to the extent that such payment would be required to be included in the income under the laws of the Relevant Jurisdiction, for tax purposes, of a beneficiary or settlor with respect to the fiduciary, a partner or member of that partnership or a beneficial owner who would not have been entitled to such Additional Amounts had that beneficiary, settlor, partner, member or beneficial owner been the Holder thereof.

(b) If the Company or its successor becomes obligated to pay Additional Amounts with respect to any payment under or with respect to the Notes, the Company or its successor shall deliver to the Trustee and the Paying Agent, if other than the Trustee, on a date that is at least 30 days prior to the date of that payment (unless the obligation to pay Additional Amounts arises after the 30th day prior to that payment date, in which case the Company or its successor shall notify the Trustee and the Paying Agent promptly thereafter) an Officers' Certificate stating the fact that Additional Amounts will be payable and the amount estimated to be so payable; provided that no such Officers' Certificate will be required prior to any date of payment of principal of, premium, if any, or interest on the Notes if there has been no change with respect to the matters set forth in a prior Officers' Certificate. The Officers' Certificate must also set forth any other information reasonably necessary to enable the Paying Agent, to pay Additional Amounts to Holders on the relevant payment date. The Trustee and the Paying Agent shall be entitled to rely solely on such Officers' Certificate as conclusive proof that such payments are necessary. The Company shall provide the Trustee and the Paying Agent with documentation reasonably satisfactory to the Trustee evidencing the payment of Additional Amounts.

(c) Any reference in this Indenture or the Notes in any context to the payment of principal of (including the Redemption Price, the Repurchase Price and Fundamental Change Repurchase Price, if applicable), premium, if any, and interest (including any Additional Interest) on any Note or any other amount payable with respect to such Note, shall be deemed to include payment of Additional Amounts to the extent that, in such context, Additional Amounts are, were or would be payable with respect to that amount pursuant to this Section 4.07.

(d) Notwithstanding any other provisions, the Company or its successor, the Trustee and the Paying Agent shall be entitled to make any withholding or deduction pursuant to FATCA.

(e) If the Company or its successor is required to make any deductions or withholding from any payments with respect to the Notes, it will remit the full amount deducted or withheld to the relevant authority in accordance with applicable law, and deliver to the Trustee and the Paying Agent, if other than the Trustee, to be available to the Holders upon request, official tax receipts evidencing the remittance to the relevant tax authorities of the amounts so withheld or deducted or, if official receipts are not obtainable, an Officers' Certificate and any other relevant documentation evidencing the payment of any applicable taxes so deducted or withheld.

Section 4.08 *Stay, Extension and Usury Laws*. The Company covenants (to the extent that it may lawfully do so) that it shall not at any time insist upon, plead, or in any manner whatsoever claim or take the benefit or advantage of, any stay, extension or usury law or other law that would prohibit or forgive the Company from paying all or any portion of the principal of or interest on the Notes as contemplated herein, wherever enacted, now or at any time hereafter in force, or that may affect the covenants or the performance of this Indenture; and the Company (to the extent it may lawfully do so) hereby expressly waives all benefit or advantage of any such law, and covenants that it will not, by resort to any such law, hinder, delay or impede the execution of any power herein granted to the Trustee, but will suffer and permit the execution of every such power as though no such law had been enacted.

Section 4.09 *Compliance Certificate; Statements as to Defaults*. The Company shall deliver to the Trustee within 120 days after the end of each fiscal year of the Company (beginning with the fiscal year ending on December 31, 2025) an Officers' Certificate stating that the Company has fulfilled its obligations hereunder, and whether the authorized Officers thereof have knowledge of any Default by the Company that occurred during the previous year that is then continuing and, if so, specifying each such Default and the nature thereof.

In addition, the Company shall deliver to the Trustee, as soon as reasonably practicable, and in any event within 30 days after the Company becomes aware of the occurrence of any Default if such Default is then continuing, an Officers' Certificate setting forth the details of such Default, its status and the action that the Company is taking or proposing to take in respect thereof. The Trustee shall have no responsibility to take any steps to ascertain whether any Event of Default or Default has occurred, and until (i) a Responsible Officer of the Trustee has received an Officers' Certificate regarding such an occurrence, or (ii) the Trustee has received written notice at the Corporate Trust Office from the Holders of at least 25% in aggregate principal amount of the Notes then outstanding regarding such an occurrence and such notice references the Notes, this Indenture and the Company, the Trustee is entitled to assume, without liability, that no Event of Default or Default has occurred.

Section 4.10 *Further Instruments and Acts*. Upon request of the Trustee, the Company will execute and deliver such further instruments and do such further acts as may be reasonably necessary or proper to carry out more effectively the purposes of this Indenture.

ARTICLE 5
LISTS OF HOLDERS AND REPORTS BY THE COMPANY AND THE TRUSTEE

Section 5.01 *Lists of Holders*. The Company covenants and agrees that it will furnish or cause to be furnished to the Trustee, semi-annually, not more than 15 days after each June 15 and December 15 in each year beginning with December 15, 2025, and at such other times as the Trustee may request in writing, within 30 days after receipt by the Company of any such request (or such lesser time as the Trustee may reasonably request in order to enable it to timely provide any notice to be provided by it hereunder), a list in such form as the Trustee may reasonably require of the names and addresses of the Holders as of a date not more than 15 days (or such other date as the Trustee may reasonably request in order to so provide any such notices) prior to the time such information is furnished, except that no such list need be furnished so long as the Trustee is acting as Note Registrar.

Section 5.02 *Preservation and Disclosure of Lists*. The Trustee shall preserve, in as current a form as is reasonably practicable, all information as to the names and addresses of the Holders contained in the most recent list furnished to it as provided in Section 5.01 or maintained by the Trustee in its capacity as Note Registrar, if so acting. The Trustee may destroy any list furnished to it as provided in Section 5.01 upon receipt of a new list so furnished.

ARTICLE 6
DEFAULTS AND REMEDIES

Section 6.01 *Events of Default*. The following events shall be "Events of Default" with respect to the Notes:

- (a) default in payment of any interest on any Note when due and payable and the default continues for a period of 30 days;

(b) default in the payment of principal of any Notes when due and payable on the Maturity Date, upon redemption in accordance with Section 16.01, upon any required repurchase, upon declaration of acceleration or otherwise;

(c) failure by the Company to comply with the Company's obligations to convert the Notes in accordance with the terms of this Indenture upon exercise of a Holder's conversion right and such failure continues for a period of five Business Days;

(d) failure by the Company to comply with its obligations under Article 11;

(e) default in the Company's notice obligations under (x) Section 15.02(c), Section 14.03(a) or Section 14.03(g), in each case, when due and such failure continues for a period of five Business Days and (y) with respect to a Redemption Notice;

(f) failure by the Company for 60 days after written notice from the Trustee to the Company, or from the Holders of at least 25% in aggregate principal amount of the Notes then outstanding has been received by the Company to comply with any of its other agreements contained in the Notes or this Indenture;

(g) default by the Company or any of its "significant subsidiaries," as defined in Article 1, Rule 1-02 of Regulation S-X, with respect to any mortgage, agreement or other instrument under which there may be outstanding, or by which there may be secured or evidenced, any indebtedness for money borrowed in excess of US\$25 million (or the foreign currency equivalent thereof), in the aggregate of the Company and/or any such significant subsidiary, whether such indebtedness now exists or shall hereafter be created (i) resulting in such indebtedness becoming or being declared due and payable or (ii) constituting a failure to pay the principal or interest of any such debt when due and payable at its stated maturity, upon required repurchase, upon declaration of acceleration or otherwise;

(h) a final judgment for the payment of US\$25 million (or the foreign currency equivalent) or more (excluding any amounts covered by insurance) rendered against the Company or any of its significant subsidiaries, as defined in Article 1, Rule 1-02 of Regulation S-X, which judgment is not paid, bonded or otherwise discharged or stayed within 60 consecutive days after (i) the date on which the right to appeal thereof has expired if no such appeal has commenced, or (ii) the date on which all rights to appeal have been extinguished;

(i) the Company or any of its significant subsidiaries, as defined in Article 1, Rule 1-02 of Regulation S-X shall commence a voluntary case or other proceeding seeking liquidation, reorganization or other relief with respect to the Company or any such significant subsidiary or its debts under any bankruptcy, insolvency or other similar law now or hereafter in effect or seeking the appointment of a trustee, receiver, liquidator, custodian or other similar official of the Company or any such significant subsidiary or any substantial part of its property, or shall consent to any such relief or to the appointment of or taking possession by any such official in an involuntary case or other proceeding commenced against it, or shall make a general assignment for the benefit of creditors, or shall fail generally to pay its debts as they become due; or

(j) an involuntary case or other proceeding shall be commenced against the Company or any of its significant subsidiaries, as defined in Article 1, Rule 1-02 of Regulation S-X seeking liquidation, reorganization or other relief with respect to the Company or such significant subsidiary or its debts under any bankruptcy, insolvency or other similar law now or hereafter in effect or seeking the appointment of a trustee, receiver, liquidator, custodian or other similar official of the Company or such significant subsidiary or any substantial part of its property, and such involuntary case or other proceeding shall remain undismissed and unstayed for a period of 30 consecutive days.

Each of the consolidated variable interest entities of the Company will be deemed to be a “subsidiary” for purposes of the definition of “significant subsidiary” in Article 1, Rule 1-02 of Regulation S-X.

Section 6.02 *Acceleration; Rescission and Annulment*. Subject to Section 6.03 hereof, if one or more Events of Default shall have occurred and be continuing (whatever the reason for such Event of Default and whether it shall be voluntary or involuntary or be effected by operation of law or pursuant to any judgment, decree or order of any court or any order, rule or regulation of any administrative or governmental body), then, and in each and every such case (other than an Event of Default specified in Section 6.01(i) or Section 6.01(j) with respect to the Company or any of its of its significant subsidiaries, as defined in Article 1, Rule 1-02 of Regulation S-X), unless the principal of all of the Notes shall have already become due and payable, either the Trustee or the Holders of at least 25% in aggregate principal amount of the Notes then outstanding determined in accordance with Section 8.04, by notice in writing to the Company (and to the Trustee if given by the Holders) may, and the Trustee at the request of such Holders accompanied by security, pre-funding and/or indemnity satisfactory to the Trustee and otherwise subject to the limitations set forth herein shall, declare 100% of the principal of, and accrued and unpaid interest, if any, on, all the Notes to be due and payable immediately, and upon any such declaration the same shall become and shall automatically be immediately due and payable, notwithstanding anything contained in this Indenture or in the Notes to the contrary. If an Event of Default specified in Section 6.01(i) or Section 6.01(j) with respect to the Company or any of its of its significant subsidiaries as defined in Article 1, Rule 1-02 of Regulation S-X occurs and is continuing, 100% of the principal of, and accrued and unpaid interest, if any, on, all Notes shall become and shall automatically be immediately due and payable without any action on the part of the Trustee. If an Event of Default occurs and is continuing, the Agents and any other agents of the Company appointed under this Indenture will be required to act on the direction of the Trustee.

The immediately preceding paragraph, however, is subject to the conditions that if, at any time after the principal of the Notes shall have been so declared due and payable, and before any judgment or decree for the payment of the monies due shall have been obtained or entered as hereinafter provided, the Company shall pay or shall deposit with the Trustee a sum sufficient to pay installments of accrued and unpaid interest, if any, upon all Notes and the principal of any and all Notes that shall have become due otherwise than by acceleration (with interest on overdue installments of accrued and unpaid interest to the extent that payment of such interest is enforceable under applicable law, and on such principal at the rate per annum borne by the Notes *plus* one percent) and amounts due to the Trustee and the Agents pursuant to Section 7.06, and if (1) rescission would not conflict with any judgment or decree of a court of competent jurisdiction and (2) any and all existing Events of Default under this Indenture, other than the nonpayment of the principal of and accrued and unpaid interest, if any, on Notes that shall have become due solely by such acceleration, shall have been cured or waived pursuant to Section 6.09, then and in every such case (except as provided in the immediately succeeding sentence) the Holders of a majority in aggregate principal amount of the Notes then outstanding, by written notice to the Company and to the Trustee, may waive all Defaults or Events of Default with respect to the Notes and rescind and annul such declaration and its consequences and such Default shall cease to exist, and any Event of Default arising therefrom shall be deemed to have been cured for every purpose of this Indenture; but no such waiver or rescission and annulment shall extend to or shall affect any subsequent Default or Event of Default, or shall impair any right consequent thereon. Notwithstanding anything to the contrary herein, no such waiver or rescission and annulment shall extend to or shall affect any Default or Event of Default resulting from (i) the nonpayment of the principal of, or accrued and unpaid interest, if any, on any Notes, (ii) a failure to repurchase any Notes when required or (iii) a failure to pay or deliver, as the case may be, the consideration due upon conversion of the Notes.

Section 6.03 *Additional Interest*. Notwithstanding anything in this Indenture or in the Notes to the contrary, to the extent the Company elects, the sole remedy for Event of Default relating to the Company's failure to comply with its obligations as set forth in Section 4.06(b) shall after the occurrence of such an Event of Default consist exclusively of the right to receive Additional Interest on the Notes at a rate equal to:

(a) 0.25% per annum of the principal amount of the Notes outstanding for each day during the period beginning on, and including, the date on which such an Event of Default first occurs and ending on the earlier of (i) the date on which such Event of Default is cured or validly waived and (ii) the 90th day immediately following, and including, the date on which such Event of Default first occurred; and

(b) if such Event of Default has not been cured or validly waived prior to the 91st day immediately following, and including, the date on which such Event of Default first occurred, 0.50% per annum of the principal amount of the Notes outstanding for each day during the period beginning on, and including, the 91st day immediately following, and including, the date on which such an Event of Default first occurred and ending on the earlier of (i) the date on which such Event of Default is cured or validly waived and (ii) the 180th day immediately following, and including, the date on which such Event of Default first occurred.

Interest payable pursuant to this Section 6.03 shall be in addition to, not in lieu of, any Additional Interest payable pursuant to Section 4.06(d) or Section 4.06(e). In no event shall Additional Interest accrue on the Notes on any day under this Indenture (taking any Additional Interest payable pursuant to this Section 6.03 together with any Additional Interest payable pursuant to Section 4.06(d) and Section 4.06(e)) at an annual rate accruing in excess of 0.50%, in the aggregate, for any violation or Default caused by the Company's failure to be current in respect of its Exchange Act reporting obligations. If the Company so elects, such Additional Interest shall be payable in the same manner and on the same dates as regular interest on the Notes. On the 181st day after such Event of Default (if the Event of Default with respect to the Company's obligations under Section 4.06(b) is not cured or waived prior to such 181st day), the Notes will be subject to acceleration as provided in Section 6.02. In the event the Company does not elect to pay Additional Interest following an Event of Default in accordance with this Section 6.03 or the Company elected to make such payment but does not pay the Additional Interest when due, the Notes shall be subject to acceleration as provided in Section 6.02.

In order to elect to pay Additional Interest as the sole remedy during the first 180 days after the occurrence of any Event of Default described in the immediately preceding paragraph, the Company must notify in writing all Holders of the Notes, the Trustee and the Paying Agent of such election prior to the beginning of such 180-day period. Upon the failure to timely give such notice, the Notes shall be immediately subject to acceleration as provided in Section 6.02.

Section 6.04 Payments of Notes on Default; Suit Therefor. If an Event of Default described in clause (a) or (b) of Section 6.01 shall have occurred, the Company shall, upon demand of the Trustee acting on behalf of the Holders or at the written request of Holders of at least 25% in aggregate principal amount of the Notes then outstanding determined in accordance with Section 8.04 and subject to indemnity and/or security and/or pre-funding satisfactory to the Trustee, pay to the Trustee, for the benefit of the Holders of the Notes, the whole amount then due and payable on the Notes for principal and interest, if any, with interest on any overdue principal and interest, if any, at the rate per annum borne by the Notes at such time plus one percent, and, in addition thereto, such further amount as shall be sufficient to cover any amounts due to the Trustee under Section 7.06. If the Company shall fail to pay such amounts forthwith upon such demand, the Trustee, in its own name and as trustee of an express trust, may institute a judicial proceeding for the collection of the sums so due and unpaid, may prosecute such proceeding to judgment or final decree and may enforce the same against the Company or any other obligor upon the Notes and collect the moneys adjudged or decreed to be payable in the manner provided by law out of the property of the Company or any other obligor upon the Notes, wherever situated.

In the event there shall be pending proceedings for the bankruptcy or for the reorganization of the Company or any other obligor on the Notes under Title 11 of the United States Code, or any other applicable law, or in case a receiver, assignee or trustee in bankruptcy or reorganization, liquidator, sequestrator or similar official shall have been appointed for or taken possession of the Company or such other obligor, the property of the Company or such other obligor, or in the event of any other judicial proceedings relative to the Company or such other obligor upon the Notes, or to the creditors or property of the Company or such other obligor, the Trustee, irrespective of whether the principal of the Notes shall then be due and payable as therein expressed or by declaration or otherwise and irrespective of whether the Trustee shall have made any demand pursuant to the provisions of this Section 6.04, shall be entitled and empowered, by intervention in such proceedings or otherwise, to file and prove a claim or claims for the whole amount of principal and accrued and unpaid interest, if any, in respect of the Notes, and, in case of any judicial proceedings, to file such proofs of claim and other papers or documents and to take such other actions as it may deem necessary or advisable in order to have the claims of the Trustee (including any claim for the compensation, or expenses and disbursements and advances of the Trustee, including the reasonably incurred expenses and disbursements of its agents and counsel) and of the Holders allowed in such judicial proceedings relative to the Company or any other obligor on the Notes, its or their creditors, or its or their property, and to collect and receive any monies or other property payable or deliverable on any such claims, and to distribute the same after the deduction of any amounts due to the Trustee under Section 7.06; and any receiver, assignee or trustee in bankruptcy or reorganization, liquidator, custodian or similar official is hereby authorized by each of the Holders to make such payments to the Trustee, as administrative expenses, and, in the event that the Trustee shall consent to the making of such payments directly to the Holders, to pay to the Trustee any amount due to it for compensation and expenses, advances and disbursements (including the reasonably incurred fees, expenses, advances and disbursements of agents and counsel), and including any other amounts due to the Trustee under Section 7.06, incurred by it up to the date of such distribution. To the extent that such payment of compensation and expenses, advances and disbursements out of the estate in any such proceedings shall be denied for any reason, payment of the same shall be secured by a lien on, and shall be paid out of, any and all distributions, dividends, monies, securities and other property that the Holders of the Notes may be entitled to receive in such proceedings, whether in liquidation or under any plan of reorganization or arrangement or otherwise.

Nothing herein contained shall be deemed to authorize the Trustee to authorize or consent to or accept or adopt on behalf of any Holder any plan of reorganization, arrangement, adjustment or composition affecting such Holder or the rights of any Holder thereof, or to authorize the Trustee to vote in respect of the claim of any Holder in any such proceeding.

All rights of action and of asserting claims under this Indenture, or under any of the Notes, may be enforced by the Trustee without the possession of any of the Notes, or the production thereof at any trial or other proceeding relative thereto, and any such suit or proceeding instituted by the Trustee shall be brought in its own name as trustee of an express trust, and any recovery of judgment shall, after provision for the payment of the reasonable compensation, expenses, disbursements and advances of the Trustee (including the reasonably incurred expenses, disbursements and advances of its agents and counsel), be for the ratable benefit of the Holders of the Notes.

In any proceedings brought by the Trustee (and in any proceedings involving the interpretation of any provision of this Indenture to which the Trustee shall be a party) the Trustee shall be held to represent all the Holders of the Notes, and it shall not be necessary to make any Holders of the Notes parties to any such proceedings.

In case the Trustee shall have proceeded to enforce any right under this Indenture and such proceedings shall have been discontinued or abandoned because of any waiver pursuant to Section 6.09 or any rescission and annulment pursuant to Section 6.02 or for any other reason or shall have been determined adversely to the Trustee, then and in every such case the Company, the Holders, and the Trustee shall, subject to any determination in such proceeding, be restored respectively to their several positions and rights hereunder, and all rights, remedies and powers of the Company, the Holders, and the Trustee shall continue as though no such proceeding had been instituted.

Section 6.05 *Application of Monies Collected by Trustee*. Any monies or property collected by the Trustee pursuant to this Article 6 with respect to the Notes shall be applied in the following order, at the date or dates fixed by the Trustee for the distribution of such monies, upon presentation of the several Notes, and stamping thereon the payment, if only partially paid, and upon surrender thereof, if fully paid:

First, to the payment of all amounts due to the Trustee, including to its agents and counsel, hereunder and any payments due to the Agents, including, without limitation, the Paying Agent, the Transfer Agent, the Conversion Agent and the Note Registrar hereunder;

Second, in case the principal of the outstanding Notes shall not have become due and be unpaid, to the payment of interest, if any, on, the Notes in default in the order of the date due of the payments of such interest, with interest (to the extent that such interest has been collected by the Trustee) upon such overdue payments at the rate per annum borne by the Notes at such time (including, without duplication, any additional interest on such overdue payments pursuant to Section 6.04) plus one percent, such payments to be made ratably to the Persons entitled thereto;

Third, in case the principal of the outstanding Notes shall have become due, by declaration or otherwise, and be unpaid to the payment of the whole amount (including, if applicable, the payment of the Redemption Price, Repurchase Price or Fundamental Change Repurchase Price and any cash due upon conversion) then owing and unpaid upon the Notes for principal and interest, if any, with interest on the overdue principal and, to the extent that such interest has been collected by the Trustee, upon overdue installments of interest at the rate per annum borne by the Notes at such time *plus* one percent, and in case such monies shall be insufficient to pay in full the whole amounts so due and unpaid upon the Notes, then to the payment of such principal (including, if applicable, the Redemption Price, Repurchase Price or Fundamental Change Repurchase Price and the cash due upon conversion) and interest without preference or priority of principal over interest, if any, or of interest over principal or of any installment of interest over any other installment of interest, or of any Note over any other Note, ratably to the aggregate of such principal (including, if applicable, the Redemption Price, Repurchase Price or Fundamental Change Repurchase Price) and accrued and unpaid interest; and

Fourth, to the payment of the remainder, if any, to the Company.

Section 6.06 Proceedings by Holders

Except to enforce the right to receive payment of principal (including, if applicable, the Redemption Price, the Repurchase Price or Fundamental Change Repurchase Price) or interest, if any, when due, or the right to receive payment or delivery of the consideration due upon conversion, no Holder of any Note shall have any right by virtue of or by availing of any provision of this Indenture to institute any suit, action or proceeding in equity or at law upon or under or with respect to this Indenture, or for the appointment of a receiver, trustee, liquidator, custodian or other similar official, or for any other remedy hereunder, unless:

(a) such Holder previously shall have given to the Trustee written notice of an Event of Default and of the continuance thereof, as herein provided;

(b) Holders of at least 25% in aggregate principal amount of the Notes then outstanding shall have made written request upon the Trustee to institute such action, suit or proceeding in its own name as Trustee hereunder;

(c) such Holders shall have provided to the Trustee such security and/or indemnity and/or pre-funding satisfactory to it against any loss, liability or expense to be incurred therein or thereby;

(d) the Trustee for 60 days after its receipt of such notice, request and provision of security and/or indemnity and/or pre-funding, shall have not complied with such written request of the Holders to institute any such action, suit or proceeding; and

(e) no direction that, in the opinion of the Trustee, is inconsistent with such written request shall have been given to the Trustee by the Holders of a majority of the aggregate principal amount of the Notes then outstanding within such 60-day period pursuant to Section 6.09,

it being understood and intended, and being expressly covenanted by the taker and Holder of every Note with every other taker and Holder and the Trustee that no one or more Holders shall have any right in any manner whatever by virtue of or by availing of any provision of this Indenture to affect, disturb or prejudice the rights of any other Holder (it being further understood that the Trustee shall not have an affirmative duty to ascertain whether or not any such direction is unduly prejudicial to any other Holder), or to obtain or seek to obtain priority over or preference to any other such Holder, or to enforce any right under this Indenture, except in the manner herein provided and for the equal, ratable and common benefit of all Holders (except as otherwise provided herein). For the protection and enforcement of this Section 6.06, each and every Holder and the Trustee shall be entitled to such relief as can be given either at law or in equity.

Notwithstanding any other provision of this Indenture and any provision of any Note, the right of any Holder to receive payment or delivery, as the case may be, of (x) the principal (including the Redemption Price, the Repurchase Price and the Fundamental Change Repurchase Price, if applicable) of, (y) accrued and unpaid interest, if any, on, and (z) the consideration due upon conversion of, such Note, on or after the respective due dates expressed or provided for in such Note or in this Indenture, or to institute suit for the enforcement of any such payment or delivery, as the case may be, on or after such respective dates against the Company shall not be impaired or affected without the consent of such Holder.

Section 6.07 *Proceedings by Trustee*. In case of an Event of Default, the Trustee may in its discretion proceed to protect and enforce the rights vested in it by this Indenture by such appropriate judicial proceedings as are necessary to protect and enforce any of such rights, either by suit in equity or by action at law or by proceeding in bankruptcy or otherwise, whether for the specific enforcement of any covenant or agreement contained in this Indenture or in aid of the exercise of any power granted in this Indenture, or to enforce any other legal or equitable right vested in the Trustee by this Indenture or by law; provided that the Trustee will not be bound to make any such proceeding unless (i) it shall have been so directed in writing by the Holders of at least 25% in aggregate principal amount of the Notes then outstanding, (ii) it shall have been indemnified, pre-funded and/or secured to its satisfaction and (iii) the Trustee is satisfied that the act or exercise of any of the rights or powers vested in it by this Indenture will not result in any of its directors, officers, employees or agents incurring personal liability.

Section 6.08 *Remedies Cumulative and Continuing*. Except as provided in the last paragraph of Section 2.06, all powers and remedies given by this Article 6 to the Trustee or to the Holders shall, to the extent permitted by law, be deemed cumulative and not exclusive of any thereof or of any other powers and remedies available to the Trustee or the Holders of the Notes, by judicial proceedings or otherwise, to enforce the performance or observance of the covenants and agreements contained in this Indenture, and no delay or omission of the Trustee or of any Holder of any of the Notes to exercise any right or power accruing upon any Default or Event of Default shall impair any such right or power, or shall be construed to be a waiver of any such Default or Event of Default or any acquiescence therein; and, subject to the provisions of Section 6.06, every power and remedy given by this Article 6 or by law to the Trustee or to the Holders may be exercised from time to time, and as often as shall be deemed expedient, by the Trustee or by the Holders.

Section 6.09 *Direction of Proceedings and Waiver of Defaults by Majority of Holders*. The Holders of a majority of the aggregate principal amount of the Notes at the time outstanding determined in accordance with Section 8.04 shall have the right to direct the time, method and place of conducting any proceeding for any remedy available to the Trustee or exercising any trust or power conferred on the Trustee with respect to Notes; provided, however, that (a) such direction shall not be in conflict with any rule of law or with this Indenture, and (b) the Trustee may take any other action deemed proper by the Trustee that is not inconsistent with such direction. The Trustee may refuse to follow any direction that conflicts with law or this Indenture, that may involve the Trustee in personal liability or violating applicable law, or if it is not provided with security and/or indemnity and/or pre-funding to its satisfaction, or that the Trustee determines is unduly prejudicial to the rights of any other Holder or that would involve the Trustee in personal liability (it being further understood that the Trustee shall not have an affirmative duty to ascertain whether or not such actions or forbearances are unduly prejudicial to any other Holders). In addition, the Trustee will not be required to expend its own funds under any circumstances. The Holders of a majority in aggregate principal amount of the Notes at the time outstanding determined in accordance with Section 8.04 may on behalf of the Holders of all of the Notes waive any past Default or Event of Default hereunder and its consequences except (i) a default in the payment of accrued and unpaid interest, if any, on, or the principal (including, if applicable, the Redemption Price, Repurchase Price or Fundamental Change Repurchase Price) of, the Notes when due that has not been cured pursuant to the provisions of Section 6.02, (ii) a failure by the Company to pay or deliver, or cause to be delivered, as the case may be, the consideration due upon conversion of the Notes or (iii) a default in respect of a covenant or provision hereof which under Article 10 cannot be modified or amended without the consent of each Holder of an outstanding Note affected. Upon any such waiver the Company, the Trustee and the Holders of the Notes shall be restored to their former positions and rights hereunder; but no such waiver shall extend to any subsequent or other Default or Event of Default or impair any right consequent thereon. Whenever any Default or Event of Default hereunder shall have been waived as permitted by this Section 6.09, said Default or Event of Default shall for all purposes of the Notes and this Indenture be deemed to have been cured and to be not continuing; but no such waiver shall extend to any subsequent or other Default or Event of Default or impair any right consequent thereon.

Section 6.10 *Notice of Defaults and Events of Default*. If a Default or Event of Default occurs and is continuing and is notified in writing to the Trustee, the Trustee shall, within 90 days after it receives written notice or obtains knowledge of the occurrence and continuance of such Default or Event of Default, send to all Holders (at the Company's expense) as the names and addresses of such Holders appear upon the Note Register, notice of all Defaults so notified in writing; provided that the Trustee shall not be deemed to have knowledge of any occurrence of a Default or Event of Default unless a Responsible Officer of the Trustee receives at its Corporate Trust Office written notification of such Default or Event of Default describing the circumstances of such Default or Event of Default and identifying the Company, this Indenture and the applicable Notes. Except in the case of a Default in the payment of the principal of (including the Redemption Price, the Repurchase Price and the Fundamental Change Repurchase Price, if applicable), or accrued and unpaid interest, if any, on, any of the Notes or a Default in the payment or delivery of the consideration due upon conversion, the Trustee shall be protected in withholding such notice if and so long as the Trustee's board of directors, a Responsible Officer, an executive committee or a committee of Responsible Officers of the Trustee (in its sole discretion) in good faith determines that the withholding of such notice is in the interests of the Holders.

Section 6.11 *Undertaking to Pay Costs*. All parties to this Indenture agree, and each Holder of any Note by its acceptance thereof shall be deemed to have agreed, that any court may, in its discretion, require, in any suit for the enforcement of any right or remedy under this Indenture, or in any suit against the Trustee for any action taken or omitted by it as Trustee, the filing by any party litigant in such suit of an undertaking to pay the costs of such suit and that such court may in its discretion assess costs, including attorneys' fees and expenses, against any party litigant in such suit, having due regard to the merits and good faith of the claims or defenses made by such party litigant; provided that the provisions of this Section 6.11 (to the extent permitted by law) shall not apply to any suit instituted by or against the Trustee, to any suit instituted by any Holder, or group of Holders, holding in the aggregate more than 10% in principal amount of the Notes at the time outstanding determined in accordance with Section 8.04, or to any suit instituted by any Holder for the enforcement of the payment of the principal of or accrued and unpaid interest, if any, on any Note (including, but not limited to, the Redemption Price, the Repurchase Price and Fundamental Change Repurchase Price with respect to the Notes being repurchased as provided in this Indenture) on or after the due date expressed or provided for in such Note or to any suit for the enforcement of the right to convert any Note in accordance with the provisions of Article 14.

ARTICLE 7
CONCERNING THE TRUSTEE

Section 7.01 *Duties and Responsibilities of Trustee*. The Trustee, prior to the occurrence of an Event of Default and after the curing or waiver of all Events of Default that may have occurred, undertakes to perform such duties and only such duties as are specifically set forth in this Indenture and no implied covenants or obligations will be read into the Indenture against the Trustee. In case an Event of Default, of which the Trustee has actual written notice, has occurred that has not been cured or waived the Trustee shall exercise such of the rights and powers vested in it by this Indenture, and use the same degree of care and skill in its exercise, as a prudent person would exercise or use under the circumstances in the conduct of such person's own affairs; provided that if an Event of Default occurs and is continuing, the Trustee will be under no obligation to exercise any of the rights or powers under this Indenture at the request or direction of any of the Holders unless such Holders have provided to the Trustee indemnity and/or security and/or pre-funding satisfactory to it against the losses, costs, liabilities or expenses that might be incurred by it in compliance with such request or direction.

No provision of this Indenture shall be construed to relieve the Trustee from liability for its own grossly negligent action, its own grossly negligent failure to act or its own willful misconduct, except that:

(a) prior to the occurrence of an Event of Default and after the curing or waiving of all Events of Default that may have occurred:

(i) the duties and obligations of the Trustee shall be determined solely by the express provisions of this Indenture, and the Trustee shall not be liable except for the performance of such duties and obligations as are specifically set forth in this Indenture and no implied covenants or obligations shall be read into this Indenture against the Trustee; and

(ii) in the absence of gross negligence and willful misconduct on the part of the Trustee, as determined in a final non-appealable decision of a court of competent jurisdiction, the Trustee may conclusively and without liability rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon any certificates or opinions furnished to the Trustee and conforming to the requirements of this Indenture; but, in the case of any such certificates or opinions that by any provisions hereof are specifically required to be furnished to the Trustee, the Trustee shall be under a duty to examine the same to determine whether or not they conform to the requirements of this Indenture (but need not confirm or investigate the accuracy of any mathematical calculations or other facts, statements, opinions or conclusions stated therein);

(b) the Trustee shall not be liable for any error of judgment made in good faith by a Responsible Officer or Responsible Officers of the Trustee, unless it shall be proved in a final non-appealable decision in a court of competent jurisdiction that the Trustee was grossly negligent in ascertaining the pertinent facts;

(c) the Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the written direction of the Holders of not less than a majority of the aggregate principal amount of the Notes at the time outstanding determined as provided in Section 8.04 relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee, under this Indenture;

(d) whether or not therein provided, every provision of this Indenture relating to the conduct or affecting the liability of, or affording protection to, the Trustee shall be subject to the provisions of this Section;

(e) the Trustee shall not be liable in respect of any payment (as to the correctness of amount, entitlement to receive or any other matters relating to payment) or notice effected by the Company or any Paying Agent or any records maintained by any co-Note Registrar with respect to the Notes;

(f) if any party fails to deliver a notice relating to an event the fact of which, pursuant to this Indenture, requires notice to be sent to the Trustee, the Trustee may conclusively and without liability rely on its failure to receive such notice as reason to act as if no such event occurred;

(g) All cash received by the Trustee shall be placed in a non-interest bearing trust account, , and the Trustee shall have no obligation to invest or reinvest any amounts held hereunder;

(h) in the event that the Trustee or any of its affiliates is also acting as an Agent hereunder, the rights immunities, privileges, disclaimers from liability and protections (including the right to compensation and indemnity) afforded to the Trustee pursuant to this Article 7 shall also be afforded to such Agent;

(i) the Trustee shall have no duty to inquire, no duty to determine and no duty to monitor as to the performance of the Company's covenants in this Indenture or the financial performance of the Company; the Trustee shall be entitled to assume, until it has received written notice in accordance with this Indenture, that the Company is properly performing its duties hereunder;

(j) the Trustee shall be under no obligation to enforce any of the provisions of this Indenture unless it is instructed in writing by Holders of at least 25% of the aggregate principal amount of outstanding Notes and is provided with security and/or indemnity and/or pre-funding satisfactory to it;

(k) the Trustee will be under no obligation to exercise any of its rights or powers under this Indenture at the request or direction of any of the Holders unless such Holders have provided to the Trustee indemnity and/or security and/or pre-funding satisfactory to it against any costs, expenses and liabilities that might be incurred by it in compliance with such requests or direction.

(l) before the Trustee acts or refrains from acting, it may require an Officers' Certificate or an Opinion of Counsel prepared and delivered at the cost of the Company conforming to Section 17.06 and the Trustee and the Agents may rely conclusively on such certificate or opinion and will not be liable for any action it takes or omits to take in good faith in reliance on such Officers' Certificate or Opinion of Counsel;

(m) in connection with the exercise by it of its trusts, powers, authorities or discretions (including, without limitation, any modification, waiver, authorization or determination), the Trustee shall have regard to the general interests of the Holders as a class but shall not have regard to any interests arising from circumstances particular to individual Holders (whatever their number) and in particular, but without limitation, shall not have regard to the consequences of the exercise of its trusts, powers, authorities or discretions for individual Holders (whatever their number) resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any country, state or territory; and

(n) the Trustee is not obliged to do or omit to do anything which in its reasonable opinion, would or may be illegal or would constitute a breach of any duty of confidentiality, or any law, rule, regulation, or any decree, order or judgment of any court, or practice, request, direction, notice, announcement or similar action (whether or not having the force of law) of any relevant government, government agency, regulatory authority, stock exchange or self-regulatory organization to which the Trustee is subject. The Trustee may without liability to do anything which is, in its reasonable opinion, necessary to comply with any such law, directive or regulations.

None of the provisions contained in this Indenture shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties or in the exercise of any of its rights or powers.

Section 7.02 *Reliance on Documents, Opinions, Etc.* Except as otherwise provided in Section 7.01:

(a) the Trustee may conclusively and without liability rely and shall be fully protected in acting or refraining from acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, consent, order, bond, Note, coupon or other paper or document (whether in its original or facsimile form) believed by it in good faith to be genuine and to have been signed or presented by the proper party or parties;

(b) any request, direction, order or demand of the Company mentioned herein shall be sufficiently evidenced by an Officers' Certificate (unless other evidence in respect thereof be herein specifically prescribed); and any Board Resolution may be evidenced to the Trustee by a copy thereof certified by the Secretary or an Assistant Secretary of the Company;

(c) the Trustee may consult with counsel or other professional advisors of its selection and require an Opinion of Counsel and any written or verbal advice of such counsel or Opinion of Counsel shall be full and complete authorization and protection in respect of any action taken or omitted by it hereunder in good faith and in accordance with such advice or Opinion of Counsel;

(d) the Trustee shall not be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, debenture or other paper or document, but the Trustee, in its discretion, may make such further inquiry or investigation into such facts or matters as it may see fit, and, if the Trustee shall determine to make such further inquiry or investigation, it shall be entitled to examine the books, records and premises of the Company, personally or by agent or attorney at the expense of the Company and shall incur no liability of any kind by reason of such inquiry or investigation;

(e) the Trustee may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through agents, delegates, custodians, nominees or attorneys and the Trustee shall not be responsible for any misconduct or negligence on the part of any agent, delegate, representative, custodian, nominee or attorney appointed by it with due care hereunder;

(f) the permissive rights of the Trustee enumerated herein shall not be construed as duties;

(g) under no circumstances and notwithstanding any contrary provision included herein, neither the Trustee, the Paying Agent, the Conversion Agent, the Note Registrar nor any other Agent shall be responsible or liable for special, indirect, punitive, or consequential damages or loss of any kind whatsoever (including, but not limited to, loss of profit) irrespective of whether any of them have been advised of the likelihood of such loss or damage and regardless of the form of action; this provision shall remain in full force and effect notwithstanding the discharge of the Notes, the termination of this Indenture or the resignation, replacement or removal of the Trustee, the Paying Agent, the Conversion Agent, the Note Registrar, or any other Agent;

(h) the Trustee, the Paying Agent, the Conversion Agent and the Note Registrar may refrain from taking any action in any jurisdiction if the taking of such action in that jurisdiction would, in its opinion based upon legal advice in the relevant jurisdiction, be contrary to any law of that jurisdiction or, to the extent applicable, of New York; furthermore, the Trustee may also refrain from taking such action if it would otherwise render it liable to any person in that jurisdiction or New York or if, in its opinion based on such legal advice, it would not have the power to do the relevant thing in that jurisdiction by virtue of any applicable law in that jurisdiction or in New York or if it is determined by any court or other competent authority in that jurisdiction that it does not have such power;

(i) The Trustee shall not be deemed to have knowledge of any Default or Event of Default with respect to the Notes, unless a written notice of such Default or Event of Default shall have been received by a Responsible Officer of the Trustee at the Corporate Trust Office of the Trustee in accordance with Section 17.03 and such notice specifies the applicable Default or Event Default and references the Company, this Indenture and the applicable Notes;

(j) the Trustee shall not be required to give any bond or surety in respect of the performance of its powers and duties hereunder;

(k) the Trustee may request that the Company deliver Officers' Certificates setting forth the names of individuals and their titles and specimen signatures of officers authorized at such time to take specified actions pursuant to this Indenture, which Officers' Certificates may be signed by any Person authorized to sign an Officers' Certificate, as the case may be, including any Person specified as so authorized in any such certificate previously delivered and not superseded;

(l) the Trustee shall not be responsible or liable for any action it takes or omits to take in good faith which it reasonably believes to be authorized or within its rights or powers;

(m) the Trustee shall not be responsible or liable for any action taken or omitted by it in good faith at the direction, in accordance with Section 6.09, of the Holders of not less than a majority in aggregate principal amount of the Notes at the time outstanding determined in accordance with Section 8.04 as to the time, method and place of conducting any proceeding for any remedy available to the Trustee or the exercising of any power conferred by this Indenture;

(n) the Trustee shall not be responsible for any inaccuracy in the information obtained from the Company or for any inaccuracy or omission in the records which may result from such information or any failure by the Trustee to perform its duties as set forth herein as a result of any inaccuracy or incompleteness of such information; and

(o) neither the Trustee nor any Agent thereof shall have any responsibility or liability for any actions taken or not taken by the Depository.

Section 7.03 *No Responsibility for Recitals, Etc.* The recitals, statements, warranties and representations contained herein and in the Notes (except in the Trustee's certificate of authentication) shall be taken as the statements of the Company, and the Trustee assumes no responsibility for the correctness of the same. The Trustee makes no representations as to the accuracy or correctness of the same or for any failure by the Company or any other party to disclose events that may have occurred and may affect the significance or accuracy of such information, or the execution, legality, effectiveness, adequacy, genuineness, validity, enforceability or admissibility in evidence of this Indenture or of the Notes. The Trustee shall not be accountable for the use or application by the Company of any Notes or the proceeds of any Notes authenticated and delivered by the Trustee in conformity with the provisions of this Indenture. Notwithstanding the generality of the foregoing, each Holder shall be solely responsible for making its own independent appraisal of, and investigation into, the financial condition, creditworthiness, condition, affairs, status and nature of the Company, and the Trustee shall not at any time have any responsibility for the same and each Holder shall not rely on the Trustee in respect thereof. The Trustee shall have no responsibility or liability with respect to any information, statement or recital in the offering memorandum, prospectus, prospectus supplement or other disclosure material prepared or distributed with respect to any of the Notes.

Section 7.04 *Trustee, Paying Agents, Conversion Agents or Note Registrar May Own Notes.* The Trustee, any Paying Agent, any Conversion Agent (if other than the Company or any Affiliate thereof) or Note Registrar, in its individual or any other capacity, may engage in business and contractual relationships with the Company or its Affiliates and may become the owner or pledgee of Notes with the same rights it would have if it were not the Trustee, Paying Agent, Conversion Agent or Note Registrar, and nothing herein shall obligate any of them to account for any profits earned from any business or transactional relationship.

Section 7.05 *Monies to Be Held in Trust.* All monies received by the Trustee shall, until used or applied as herein provided, be held in trust for the purposes for which they were received. Money held by the Trustee in trust or by the Paying Agent hereunder need not be segregated from other funds or property except to the extent required by law. Neither the Trustee nor the Paying Agent shall be under any liability for interest on any money received by it hereunder.

Section 7.06 *Compensation, Expenses and Indemnification of Trustee and Agents.* (a) The Company covenants and agrees to pay to the Trustee from time to time, and the Trustee shall be entitled to, compensation for all services rendered by it hereunder in any capacity (which shall not be limited by any provision of law in regard to the compensation of a trustee of an express trust) as mutually agreed to in writing between the Trustee and the Company (which sum shall be paid free and clear of deduction and withholding on account of taxation, set-off and counterclaim), and the Company will pay or reimburse the Trustee upon its request for all documented expenses, disbursements and advances, in each case, incurred or made by the Trustee in accordance with any of the provisions of this Indenture in any capacity thereunder (including the documented compensation and the reasonably incurred expenses, disbursements and advances of its agents and counsel and of all Persons not regularly in its employ) except any such expense, disbursement or advance as shall have been caused by its gross negligence or willful misconduct as determined by a final, non-appealable decision of a court of competent jurisdiction. The Company also covenants to indemnify the Trustee (which for the purposes of this Section 7.06 shall be deemed to include its officers, directors, agents and employees) in any capacity under this Indenture (including without limitation as Note Registrar, Transfer Agent, Conversion Agent and Paying Agent) and any other document or transaction entered into in connection herewith, and to hold it harmless against, any loss, claim, damage, liability or expense, including taxes (other than taxes based upon, measured by or determined by the income of the Trustee)(whether arising from third-party claims or claims by or against the Company) incurred without gross negligence or willful misconduct on the part of the Trustee, its officers, directors, agents or employees, as the case may be, as determined by a final, non-appealable decision of a court of competent jurisdiction, and arising out of or in connection with the acceptance or administration of this Indenture or in any other capacity hereunder, including the costs and expenses of defending themselves against any claim of liability (including, without limitation, any and all reasonable attorney's fees and expenses). The obligations of the Company under this Section 7.06 to compensate or indemnify the Trustee or any Agent and to pay or reimburse the Trustee or such Agent for expenses, disbursements and advances shall be secured by a senior claim to which the Notes are hereby made subordinate on all money or property held or collected by the Trustee or an Agent hereunder, except, subject to the effect of Section 6.05, funds held in trust herewith for the benefit of the Holders of particular Notes. The Trustee's or an Agent's right to receive payment of any amounts due under this Section 7.06 shall not be subordinate to any other liability or indebtedness of the Company. The Company need not pay for any settlement made without its consent, which consent shall not be unreasonably withheld, conditioned or delayed. The indemnity under this Section 7.06(a) is payable upon demand by the Trustee. The obligation of the Company under this Section 7.06(a) shall survive the satisfaction and discharge of the Notes, the termination or discharge of this Indenture and the resignation, replacement or removal of the Trustee. The indemnification provided in this Section 7.06(a) shall extend to the officers, directors, agents and employees of the Trustee. Subject to Section 7.02(e), any negligence or misconduct of any agent, delegate, attorney or representative, in each case, of the Trustee, shall not affect indemnification of the Trustee.

Without prejudice to any other rights available to the Trustee under applicable law, when the Trustee and its agents incur expenses or render services after an Event of Default specified in Section 6.01(i) or Section 6.01(j) occurs, the expenses and the compensation for the services are intended to constitute expenses of administration under any bankruptcy, insolvency or similar laws. If a Default or Event of Default shall have occurred or if the Trustee finds it expedient or necessary or is requested by the Company and/or the Holders to undertake duties which are of an exceptional nature or otherwise outside the scope of the Trustee's normal duties under this Indenture, the Company will pay such additional remuneration as the Company and the Trustee may separately agree in writing.

(b) The Paying Agent, the Transfer Agent, the Conversion Agent and the Note Registrar shall be entitled to the compensation to be agreed upon in writing with the Company for all services rendered by it under this Indenture, and the Company agrees promptly to pay such compensation and to reimburse the Paying Agent, the Transfer Agent, the Conversion Agent and the Note Registrar for its documented out-of-pocket expenses (including, without limitation, reasonable fees and expenses of counsel) incurred by it in connection with the services rendered by it under this Indenture. The Company hereby agrees to indemnify the Paying Agent, the Transfer Agent, the Conversion Agent and the Note Registrar and their respective officers, directors, agents and employees and any successors thereto for, and to hold it harmless against, any loss, liability or expense (including reasonable fees and expenses of counsel), including the costs and expenses of defending themselves against any claim of liability, reasonably incurred without gross negligence or willful misconduct on its part, as determined by a final, non-appealable decision of a court of competent jurisdiction, arising out of or in connection with its acting as the Paying Agent, the Transfer Agent, the Conversion Agent and the Note Registrar hereunder (whether arising from third-party claims or claims by or against the Company). The indemnity under this Section 7.06(b) is payable upon demand by the applicable Agent. The obligations of the Company under this paragraph (b) shall survive the payment of the Notes, the termination or discharge of the Indenture and the resignation, replacement or removal of the Paying Agent, the Transfer Agent, the Conversion Agent and the Note Registrar. The indemnification provided in this Section 7.06(b) shall extend to the officers, directors, agents and employees of the Agents. Subject to Section 7.02(e), any negligence or misconduct of any agent, delegate, attorney or representative, in each case, of the Agent, shall not affect indemnification of the Agent.

(c) Without prejudice to any other rights available to the Agent under applicable law, when the Agent and its agents incur expenses or render services after an Event of Default specified in Section 6.01(i) or Section 6.01(j) occurs, the expenses and the compensation for the services are intended to constitute expenses of administration under any bankruptcy, insolvency or similar laws. If a Default or Event of Default shall have occurred or if the Agent finds it expedient or necessary or is requested by the Company and/or the Holders to undertake duties which are of an exceptional nature or otherwise outside the scope of the Agent's normal duties under this Indenture, the Company will pay such additional remuneration as the Company and the Agent may separately agree in writing.

Section 7.07 *Officers' Certificate as Evidence*. Except as otherwise provided in Section 7.01, whenever in the administration of the provisions of this Indenture the Trustee shall deem it necessary or desirable that a matter be proved or established prior to taking or omitting any action hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed) may be deemed to be conclusively proved and established by an Officers' Certificate delivered to the Trustee, and such Officers' Certificate shall be full warrant to the Trustee for any action taken or omitted by it under the provisions of this Indenture upon the faith thereof.

Section 7.08 *Eligibility of Trustee*. There shall at all times be a Trustee hereunder which shall be a Person that is eligible pursuant to the Trust Indenture Act (as if the Trust Indenture Act were applicable hereto) to act as such and has a combined capital and surplus of at least US\$50,000,000. If such Person publishes reports of condition at least annually, pursuant to law or to the requirements of any supervising or examining authority, then for the purposes of this Section, the combined capital and surplus of such Person shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. If at any time the Trustee shall cease to be eligible in accordance with the provisions of this Section, it shall resign immediately in the manner and with the effect hereinafter specified in this Article.

Section 7.09 *Resignation or Removal of Trustee*. (a) The Trustee may at any time resign by giving 30 days written notice of such resignation to the Company and by delivering notice thereof to the Holders at their addresses as they shall appear on the Note Register. Upon receiving such notice of resignation, the Company shall promptly appoint a successor trustee by written instrument, in duplicate, executed by order of the Board of Directors, one copy of which instrument shall be delivered to the resigning Trustee and one copy to the successor trustee. If no successor trustee shall have been so appointed and have accepted appointment within 60 days after the delivering of such notice of resignation to the Holders, the resigning Trustee may appoint a successor trustee on behalf of and at the expense of the Company or it may, upon ten Business Days' notice to the Company and the Holders and at the expense of the Company petition any court of competent jurisdiction for the appointment of a successor trustee, or any Holder who has been a bona fide holder of a Note or Notes for at least six months may, subject to the provisions of Section 6.11, on behalf of himself or herself and all others similarly situated, and at the expense of the Company, petition any such court for the appointment of a successor trustee. Such court may thereupon, after such notice, if any, as it may deem proper and prescribe, appoint a successor trustee.

(b) In case at any time any of the following shall occur:

(i) the Trustee shall cease to be eligible in accordance with the provisions of Section 7.08 and shall fail to resign after written request therefor by the Company or by any such Holder, or

(ii) the Trustee shall become incapable of acting, or shall be adjudged a bankrupt or insolvent, or a receiver of the Trustee or of its property shall be appointed, or any public officer shall take charge or control of the Trustee or of its property or affairs for the purpose of rehabilitation, conservation or liquidation,

then, in either case, the Company may by a Board Resolution remove the Trustee and appoint a successor trustee by written instrument, in duplicate, executed by order of the Board of Directors, one copy of which instrument shall be delivered to the Trustee so removed and one copy to the successor trustee, or, subject to the provisions of Section 6.11, any Holder who has been a bona fide holder of a Note or Notes for at least six months may, on behalf of himself or herself and all others similarly situated, petition any court of competent jurisdiction for the removal of the Trustee and the appointment of a successor trustee. Such court may thereupon, after such notice, if any, as it may deem proper and prescribe, remove the Trustee and appoint a successor trustee.

(c) The Holders of a majority in aggregate principal amount of the Notes at the time outstanding, as determined in accordance with Section 8.04, may at any time remove the Trustee and nominate a successor trustee that shall be deemed appointed as successor trustee unless within ten days after notice to the Company of such nomination the Company objects thereto, in which case the Trustee so removed or any Holder, upon the terms and conditions and otherwise as in Section 7.09(a) provided, may petition any court of competent jurisdiction for an appointment of a successor trustee.

(d) Any resignation or removal of the Trustee and appointment of a successor trustee pursuant to any of the provisions of this Section 7.09 shall become effective upon acceptance of appointment by the successor trustee as provided in Section 7.10.

Section 7.10 *Acceptance by Successor Trustee.* Any successor trustee appointed as provided in Section 7.09 shall execute, acknowledge and deliver to the Company and to its predecessor trustee an instrument accepting such appointment hereunder, and thereupon the resignation or removal of the predecessor trustee shall become effective and such successor trustee, without any further act, deed or conveyance, shall become vested with all the rights, powers, duties and obligations of its predecessor hereunder, with like effect as if originally named as Trustee herein; but, nevertheless, on the written request of the Company or of the successor trustee, the trustee ceasing to act shall, upon payment of any amounts then due to it pursuant to the provisions of Section 7.06, execute and deliver an instrument transferring to such successor trustee all the rights and powers of the trustee so ceasing to act. Upon request of any such successor trustee, the Company shall execute any and all instruments in writing for more fully and certainly vesting in and confirming to such successor trustee all such rights and powers. Any trustee ceasing to act shall, nevertheless, retain a senior claim to which the Notes are hereby made subordinate on all money or property held or collected by such trustee as such, except for funds held in trust for the benefit of Holders of particular Notes, to secure any amounts then due to it pursuant to the provisions of Section 7.06.

No successor trustee shall accept appointment as provided in this Section 7.10 unless at the time of such acceptance such successor trustee shall be eligible under the provisions of Section 7.08.

Upon acceptance of appointment by a successor trustee as provided in this Section 7.10, each of the Company and the successor trustee, at the written direction and at the expense of the Company shall mail or cause to be mailed notice of the succession of such trustee hereunder to the Holders at their addresses as they shall appear on the Note Register. If the Company fails to deliver such notice within ten days after acceptance of appointment by the successor trustee, the successor trustee shall cause such notice to be mailed at the expense of the Company.

Section 7.11 *Succession by Merger, Etc.* Any corporation or other entity into which the Trustee may be merged or converted or with which it may be consolidated, or any corporation or other entity resulting from any merger, conversion or consolidation to which the Trustee shall be a party, or any corporation or other entity succeeding to all or substantially all of the corporate trust business of the Trustee (including the administration of this Indenture), shall be the successor to the Trustee hereunder without the execution or filing of any paper or any further act on the part of any of the parties hereto; *provided* that in the case of any corporation or other entity succeeding to all or substantially all of the corporate trust business of the Trustee such corporation or other entity shall be eligible under the provisions of Section 7.08.

In case at the time such successor to the Trustee shall succeed to the trusts created by this Indenture, any of the Notes shall have been authenticated but not delivered, any such successor to the Trustee may adopt the certificate of authentication of any predecessor trustee, and deliver such Notes so authenticated; and in case at that time any of the Notes shall not have been authenticated, any successor to the Trustee may authenticate such Notes either in the name of any predecessor trustee hereunder or in the name of the successor trustee; and in all such cases such certificates shall have the full force which it is anywhere in the Notes or in this Indenture provided that the certificate of the Trustee shall have; *provided, however*, that the right to adopt the certificate of authentication of any predecessor trustee or to authenticate Notes in the name of any predecessor trustee shall apply only to its successor or successors by merger, conversion or consolidation.

Section 7.12 *Trustee's Application for Instructions from the Company.* Any application by the Trustee for written instructions from the Company (other than with regard to any action proposed to be taken or omitted to be taken by the Trustee that affects the rights of the Holders of the Notes under this Indenture) may, at the option of the Trustee, set forth in writing any action proposed to be taken or omitted by the Trustee under this Indenture and the date on and/or after which such action shall be taken or such omission shall be effective. The Trustee shall not be liable for any action taken by, or omission of, the Trustee in accordance with a proposal included in such application on or after the date specified in such application (which date shall not be less than three Business Days after the date any officer that the Company has indicated to the Trustee should receive such application actually receives such application, unless any such officer shall have consented in writing to any earlier date), unless, prior to taking any such action (or the effective date in the case of any omission), the Trustee shall have received written instructions in accordance with this Indenture in response to such application specifying the action to be taken or omitted.

ARTICLE 8 CONCERNING THE HOLDERS

Section 8.01 *Action by Holders.* Whenever in this Indenture it is provided that the Holders of a specified percentage of the aggregate principal amount of the Notes may take any action (including the making of any demand or request, the giving of any notice, consent or waiver or the taking of any other action), the fact that at the time of taking any such action, the Holders of such specified percentage have joined therein may be evidenced (a) by any instrument or any number of instruments of similar tenor executed by Holders in person or by agent or proxy appointed in writing, or (b) by the record of the Holders voting in favor thereof at any meeting of Holders duly called and held in accordance with the provisions of Article 9, or (c) by a combination of such instrument or instruments and any such record of such a meeting of Holders. Whenever the Company or the Trustee solicits the taking of any action by the Holders of the Notes, the Company or the Trustee may fix, but shall not be required to, in advance of such solicitation, a date as the record date for determining Holders entitled to take such action. The record date if one is selected shall be not more than fifteen days prior to the date of commencement of solicitation of such action.

Section 8.02 *Proof of Execution by Holders.* Subject to the provisions of Section 7.01, Section 7.02 and Section 9.05, proof of the execution of any instrument by a Holder or its agent or proxy shall be sufficient if made in accordance with such reasonable rules and regulations as may be prescribed by the Trustee or in such manner as shall be satisfactory to the Trustee. The holding of Notes shall be proved by the Note Register or by a certificate of the Note Registrar. The record of any Holders' meeting shall be proved in the manner provided in Section 9.06.

Section 8.03 *Who Are Deemed Absolute Owners*. The Company, the Trustee, any Paying Agent, any Transfer Agent, any Conversion Agent and any Note Registrar may deem the Person in whose name a Note shall be registered upon the Note Register to be, and may treat it as, the absolute owner of such Note (whether or not such Note shall be overdue and notwithstanding any notation of ownership or other writing thereon made by any Person other than the Company or any Note Registrar) for the purpose of receiving payment of or on account of the principal of and (subject to Section 2.03) accrued and unpaid interest, if any, on such Note, for the purpose of conversion of such Note and for all other purposes; and neither the Company nor the Trustee nor any Paying Agent nor any Transfer Agent nor any Conversion Agent nor any Note Registrar shall be affected by any notice to the contrary. The sole registered holder of a Global Note shall be the Depository or its nominee. All such payments or deliveries so made to any Holder for the time being, or upon its order, shall be valid, and, to the extent of the sums or ADSs so paid or delivered, effectual to satisfy and discharge the liability for monies payable or ADSs deliverable upon any such Note. Notwithstanding anything to the contrary in this Indenture or the Notes following an Event of Default, any owner of a beneficial interest in a Global Note may directly enforce against the Company, without the consent, solicitation, proxy, authorization or any other action of the Depository or any other Person, such owner's right to exchange such beneficial interest for a Note in certificated form in accordance with the provisions of this Indenture.

Section 8.04 *Company-Owned Notes Disregarded*. In determining whether the Holders of the requisite aggregate principal amount of Notes have concurred in any direction, consent, waiver or other action under this Indenture, Notes that are owned by the Company, by any Subsidiary or Consolidated Variable Interest Entity or by any person or entity directly or indirectly controlling or controlled by or under direct or indirect common control with the Company or any Subsidiary or Consolidated Variable Interest Entity shall be disregarded and deemed not to be outstanding for the purpose of any such determination; *provided* that for the purposes of determining whether the Trustee shall be protected in relying on any such direction, consent, waiver or other action only Notes in respect of which a Responsible Officer is notified in writing shall be so disregarded. Notes so owned that have been pledged in good faith may be regarded as outstanding for the purposes of this Section 8.04 if the pledgee shall establish to the satisfaction of the Trustee its right to so act with respect to such Notes and that the pledgee is not the Company, a Subsidiary or Consolidated Variable Interest Entity or by any person or entity directly or indirectly controlling or controlled by or under direct or indirect common control with the Company or any Subsidiary or Consolidated Variable Interest Entity. In the case of a dispute as to such right, any decision by the Trustee taken upon the advice of counsel shall be full protection to the Trustee. Within five days of acquisition of the Notes by any of the above described persons or entities or at the request of the Trustee, the Company shall furnish to the Trustee promptly an Officers' Certificate listing and identifying all Notes, if any, known by the Company to be owned or held by or for the account of any of the above described Persons; and, subject to Section 7.01, the Trustee shall be entitled to accept such Officers' Certificate as conclusive evidence of the facts therein set forth and of the fact that all Notes not listed therein are outstanding for the purpose of any such determination.

Section 8.05 *Revocation of Consents; Future Holders Bound*. At any time prior to (but not after) the evidencing to the Trustee, as provided in Section 8.01, of the taking of any action by the Holders of the percentage of the aggregate principal amount of the Notes specified in this Indenture in connection with such action, any Holder of a Note that is shown by the evidence to be included in the Notes the Holders of which have consented to such action may, by filing written notice with the Trustee at its Corporate Trust Office and upon proof of holding as provided in Section 8.02, revoke such action so far as concerns such Note. Except as aforesaid, any such action taken by the Holder of any Note shall be conclusive and binding upon such Holder and upon all future Holders and owners of such Note and of any Notes issued in exchange or substitution therefor or upon registration of transfer thereof, irrespective of whether any notation in regard thereto is made upon such Note or any Note issued in exchange or substitution therefor or upon registration of transfer thereof.

ARTICLE 9 HOLDERS' MEETINGS

Section 9.01 *Purpose of Meetings*. A meeting of Holders may be called at any time and from time to time pursuant to the provisions of this Article 9 for any of the following purposes:

(a) to give any notice to the Company or to the Trustee or to give any directions to the Trustee permitted under this Indenture, or to consent to the waiving of any Default or Event of Default hereunder and its consequences, or to take any other action authorized to be taken by Holders pursuant to any of the provisions of Article 6;

(b) to remove the Trustee and nominate a successor trustee pursuant to the provisions of Article 7;

(c) to consent to the execution of an indenture or indentures supplemental hereto pursuant to the provisions of Section 10.02; or

(d) to take any other action authorized to be taken by or on behalf of the Holders of any specified aggregate principal amount of the Notes under any other provision of this Indenture or under applicable law.

Section 9.02 *Call of Meetings by Trustee*. The Trustee may (in its sole discretion and without obligation) at any time call a meeting of Holders to take any action specified in Section 9.01, to be held at such time and at such place as the Trustee shall determine, including virtually. Notice of every meeting of the Holders, setting forth the time and the place of such meeting and in general terms the action proposed to be taken at such meeting and the establishment of any record date pursuant to Section 8.01, shall be delivered to Holders of such Notes. Such notice shall also be delivered to the Company. Such notices shall be delivered not less than 20 nor more than 90 days prior to the date fixed for the meeting.

Any meeting of Holders shall be valid without notice if the Holders of all Notes then outstanding are present in person or by proxy (including virtually) or if notice is waived before or after the meeting by the Holders of all Notes then outstanding, and if the Company and the Trustee are either present by duly authorized representatives or have, before or after the meeting, waived notice.

Section 9.03 *Call of Meetings by Company or Holders*. In case at any time the Company, pursuant to a Board Resolution, or the Holders of at least 10% of the aggregate principal amount of the Notes then outstanding, shall have requested the Trustee to call a meeting of Holders, by written request setting forth in reasonable detail the action proposed to be taken at the meeting, and the Trustee shall not have delivered the notice of such meeting within 20 days after receipt of such request, then the Company or such Holders may determine the time and the place for such meeting and may call such meeting to take any action authorized in Section 9.01, by delivering notice thereof as provided in Section 9.02.

Section 9.04 *Qualifications for Voting*. To be entitled to vote at any meeting of Holders a Person shall (a) be a Holder of one or more Notes on the record date pertaining to such meeting or (b) be a Person appointed by an instrument in writing as proxy by a Holder of one or more Notes on the record date pertaining to such meeting. The only Persons who shall be entitled to be present or to speak at any meeting of Holders shall be the Persons entitled to vote at such meeting and their counsel and any representatives of the Trustee and its counsel and any representatives of the Company and its counsel.

Section 9.05 *Regulations*. Notwithstanding any other provisions of this Indenture, the Trustee may make such reasonable regulations as it may deem advisable for any meeting of Holders, in regard to proof of the holding of Notes and of the appointment of proxies, and in regard to the appointment and duties of inspectors of votes, the submission and examination of proxies, certificates and other evidence of the right to vote, and such other matters concerning the conduct of the meeting as it shall think fit.

The Trustee shall, by an instrument in writing, appoint a temporary chairman of the meeting, unless the meeting shall have been called by the Company or by Holders as provided in Section 9.03, in which case the Company or the Holders calling the meeting, as the case may be, shall in like manner appoint a temporary chairman. A permanent chairman and a permanent secretary of the meeting shall be elected by vote of the Holders of a majority in aggregate principal amount of the Notes represented at the meeting and entitled to vote at the meeting.

Subject to the provisions of Section 8.04, at any meeting of Holders each Holder or proxyholder shall be entitled to one vote for each US\$1,000 principal amount of Notes held or represented by him or her; *provided, however*, that no vote shall be cast or counted at any meeting in respect of any Note challenged as not outstanding and ruled by the chairman of the meeting to be not outstanding. The chairman of the meeting shall have no right to vote other than by virtue of Notes held by it or instruments in writing as aforesaid duly designating it as the proxy to vote on behalf of other Holders. Any meeting of Holders duly called pursuant to the provisions of Section 9.02 or Section 9.03 may be adjourned from time to time by the Holders of a majority of the aggregate principal amount of Notes represented at the meeting, whether or not constituting a quorum, and the meeting may be held as so adjourned without further notice.

Minutes shall be made of all resolutions and proceedings at every meeting and, if purporting to be signed by the chairman of that meeting or of the next succeeding meeting of Holders of the Notes, shall be conclusive evidence of the matters in them. Until the contrary is proved every meeting for which minutes have been so made and signed shall be deemed to have been duly convened and held and all resolutions passed or proceedings transacted at it to have been duly passed and transacted.

Section 9.06 *Voting*. The vote upon any resolution submitted to any meeting of Holders shall be by written ballot on which shall be subscribed the signatures of the Holders or of their representatives by proxy and the outstanding aggregate principal amount of the Notes held or represented by them. The permanent chairman of the meeting shall appoint two inspectors of votes who shall count all votes cast at the meeting for or against any resolution and who shall make and file with the secretary of the meeting their verified written reports in duplicate of all votes cast at the meeting. A record in duplicate of the proceedings of each meeting of Holders shall be prepared by the secretary of the meeting and there shall be attached to said record the original reports of the inspectors of votes on any vote by ballot taken thereat and affidavits by one or more Persons having knowledge of the facts setting forth a copy of the notice of the meeting and showing that said notice was sent as provided in Section 9.02. The record shall show the aggregate principal amount of the Notes voting in favor of or against any resolution. The record shall be signed and verified by the affidavits of the permanent chairman and secretary of the meeting and one of the duplicates shall be delivered to the Company and the other to the Trustee to be preserved by the Trustee, the latter to have attached thereto the ballots voted at the meeting.

Any record so signed and verified shall be conclusive evidence of the matters therein stated.

Section 9.07 *No Delay of Rights by Meeting*. Nothing contained in this Article 9 shall be deemed or construed to authorize or permit, by reason of any call of a meeting of Holders or any rights expressly or impliedly conferred hereunder to make such call, any hindrance or delay in the exercise of any right or rights conferred upon or reserved to the Trustee or to the Holders under any of the provisions of this Indenture or of the Notes.

ARTICLE 10 SUPPLEMENTAL INDENTURES

Section 10.01 *Supplemental Indentures Without Consent of Holders*. The Company, when authorized by the resolutions of the Board of Directors, and the Trustee, at the Company's expense and direction, may from time to time and at any time amend or supplement this Indenture or the Notes for one or more of the following purposes:

- (a) to cure any ambiguity, omission, defect or inconsistency;
- (b) to provide for the assumption by a Successor Company of the obligations of the Company under this Indenture or the Notes pursuant to Article 11;
- (c) to add guarantees or any credit enhancements of similar nature with respect to the Notes;
- (d) to secure the Notes;

- (e) to add to the covenants or Events of Defaults of the Company for the benefit of the Holders or surrender any right or power conferred upon the Company;
- (f) upon the occurrence of any transaction or event described in Section 14.07(a), to (i) provide that the Notes are convertible into Reference Property, subject to Section 14.02, and (ii) effect the related changes to the terms of the Notes described under Section 14.07(a), in each case, in accordance with Section 14.07;
- (g) to make any change that does not adversely affect the rights of any Holder, as such, in any material respect;
- (h) provide for or confirm the issuance of additional Notes pursuant to the terms of this Indenture;
- (i) to make changes in connection with an acceptance for listing on a Permitted Exchange as contemplated in Section 10.03;
- (j) to comply with the rules of the Depositary;
- (k) to evidence and provide for the acceptance of the appointment of a successor trustee in accordance with this Indenture;
- (l) to increase the Conversion Rate of the Notes; or
- (m) to conform the provisions of this Indenture or the Notes to the “Description of the Notes” section of the Offering Memorandum.

Holders do not need to approve the particular form of any proposed amendment. It shall be sufficient if such holders approve the substance of the proposed amendment. After an amendment under this Indenture becomes effective, the Company is required to deliver to the Holders (with a copy to the Trustee) a notice briefly describing such amendment. However, the failure to give such notice to all the Holders, or any defect in the notice, will not impair or affect the validity of the amendment. The Trustee shall not be obligated to enter into any proposed amendment under this Indenture that affects the Trustee’s own rights, duties, indemnities, or immunities under this Indenture or otherwise.

Upon the written request of the Company, the Trustee is hereby authorized to join with the Company in the execution of any such amendment or supplement to this Indenture or the Notes, to make any further appropriate agreements and stipulations that may be therein contained, but the Trustee shall not be obligated to, but may in its discretion, enter into any supplemental indenture that affects the Trustee’s own rights, duties, indemnities, or immunities under this Indenture or otherwise. The Trustee shall seek an Officers’ Certificate and an Opinion of Counsel, at the Company’s expense, that any such amendment or supplement, and the execution and delivery of the supplemental indenture to this Indenture or the Notes is authorized and permitted by the terms of this Indenture and that all conditions precedent hereto have been satisfied, and that the supplemental indenture or amendment or supplement are enforceable against the Company, subject to customary assumptions and qualifications.

Any amendment or supplement to this Indenture or the Notes authorized by the provisions of this Section 10.01 may be executed by the Company and the Trustee without the consent of the Holders of any of the Notes at the time outstanding, notwithstanding any of the provisions of Section 10.02.

Section 10.02 *Supplemental Indentures with Consent of Holders*. With the consent (evidenced as provided in Article 8) of the Holders of at least a majority of the aggregate principal amount of the Notes then outstanding (determined in accordance with Article 8 and including, without limitation, consents obtained in connection with a repurchase of, or tender or exchange offer for, Notes), the Company, when authorized by the resolutions of the Board of Directors, and the Trustee, at the Company’s expense, may from time to time and at any time enter into an indenture or indentures supplemental hereto for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of this Indenture or any supplemental indenture or the Notes or modifying in any manner the rights of the Holders; provided, however, that, without the consent of each Holder of an outstanding Note affected, no such supplemental indenture shall, among other things:

- (a) reduce the amount of Notes whose Holders must consent to an amendment or waiver;
- (b) reduce the rate of or change the stated time for payment of interest, if any, on any Note;
- (c) reduce the principal of or change the Maturity Date of any Note;
- (d) make any change that adversely affects the conversion rights of any Notes;

(e) reduce the Repurchase Price payable on the Repurchase Date, the Fundamental Change Repurchase Price or the Redemption Price of any Note or amend or modify in any manner adverse to the Holders the Company's obligation to make such payments, whether through an amendment or waiver of provisions in the covenants, definitions or otherwise;

(f) make any Note payable, or at a place of payment, in money other than that stated in the Notes;

(g) change the ranking of the Notes;

(h) impair the right of any Holder to receive payment of principal and interest, if any, on such Holder's Notes on or after the due dates therefor or to institute suit for the enforcement of any payment on or with respect to such Holder's Note;

(i) change the Company's obligation to pay Additional Amounts on any Note; or

(j) make any change in this Article 10 that requires each Holder's consent or in the waiver provisions in Section 6.02 or Section 6.09.

Upon the written request of the Company, and upon the filing with the Trustee of evidence of the consent of Holders as aforesaid and subject to Section 10.05, the Trustee shall join with the Company in the execution of such supplemental indenture unless (i) the Trustee has not received an Officers' Certificate and an Opinion of Counsel stating that such supplemental indenture is authorized and permitted by the terms of this Indenture and not contrary to law or (ii) such supplemental indenture affects the Trustee's own rights, duties, indemnities, or immunities under this Indenture or otherwise, in which case the Trustee may in its discretion, but shall not be obligated to, enter into such supplemental indenture.

Holders do not need under this Section 10.02 to approve the particular form of any proposed supplemental indenture. It shall be sufficient if such Holders approve the substance thereof. After any supplemental indenture becomes effective under Section 10.01 or Section 10.02, the Company shall send to the Holders (with a copy to the Trustee) a notice briefly describing such supplemental indenture. However, the failure to give such notice to all the Holders, or any defect in the notice, will not impair or affect the validity of the supplemental indenture.

Section 10.03 *Supplemental Indenture in respect of Fundamental Change*. If a Fundamental Change described in clause (d) of the definition thereof has occurred and the Ordinary Shares (or, as applicable, other Common Equity underlying the Notes or the Reference Property referred to herein) remain listed or have been accepted for listing on a Permitted Exchange (such Ordinary Shares (or, as applicable, other Common Equity or the Reference Property), the "**Listed Equity**"), then from and after the later to occur of (x) the date of such acceptance for listing on a Permitted Exchange, if applicable, or (y) the Effective Date of such Fundamental Change (the "**Reference Date**"), Section 14.07 of this Indenture will be deemed to apply mutatis mutandis as if the Reference Property for the Notes were the Listed Equity. No later than five Business Days after the Reference Date, the Company shall execute with the Trustee a supplemental indenture containing such provisions that the Board of Directors determines in good faith are appropriate to preserve the economic interests of the Holders and are necessary to reflect the replacement of the ADSs (or Ordinary Shares or other Common Equity or ADSs in respect of Reference Property then underlying the Notes) with the Listed Equity. The Company shall notify the Holders, the Trustee and the Conversion Agent (if other than the Trustee) in writing as promptly as reasonably practicable following the date the Company and the Trustee execute such supplemental indenture, and the Company shall substantially concurrently with such notice either post such supplemental indenture on the Company's website or disclose the same in a current report on Form 6-K (or any successor form) that is filed with the Commission. If, as of the Reference Date, the Listed Equity is listed or accepted for listing on more than one Permitted Exchange, which includes the Hong Kong Stock Exchange, the relevant exchange on which the Listed Equity is listed for purpose of such supplemental indenture (the "**Relevant Exchange**") will be the Hong Kong Stock Exchange; otherwise the Relevant Exchange will be the Permitted Exchange that is the primary stock exchange for the Listed Equity with the highest trading volume of the Listed Equity as of the Reference Date.

Section 10.04 *Effect of Supplemental Indentures*. Upon the execution of any supplemental indenture pursuant to the provisions of this Article 10, this Indenture shall be and be deemed to be modified and amended in accordance therewith and the respective rights, limitation of rights, obligations, duties and immunities under this Indenture of the Trustee, the Company and the Holders shall thereafter be determined, exercised and enforced hereunder subject in all respects to such modifications and amendments and all the terms and conditions of any such supplemental indenture shall be and be deemed to be part of the terms and conditions of this Indenture for any and all purposes.

Section 10.05 *Notation on Notes*. Notes authenticated and delivered after the execution of any supplemental indenture pursuant to the provisions of this Article 10 may, at the Company's expense, bear a notation in form approved by the Trustee as to any matter provided for in such supplemental indenture. If the Company or the Trustee shall so determine, new Notes so modified as to conform, in the opinion of the Trustee and the Board of Directors, to any modification of this Indenture contained in any such supplemental indenture may, at the Company's expense, be prepared and executed by the Company, authenticated by the Trustee upon receipt of a Company Order and delivered in exchange for the Notes then outstanding, upon surrender of such Notes then outstanding.

Section 10.06 *Evidence of Compliance of Supplemental Indenture to Be Furnished Trustee*. In addition to the documents required by Section 17.06, the Trustee shall receive an Officers' Certificate and an Opinion of Counsel as conclusive evidence that any supplemental indenture executed pursuant hereto complies with the requirements of this Article 10 and is permitted or authorized by this Indenture and with respect to such Opinion of Counsel, that such supplemental indenture is the valid and binding obligation of the Company enforceable in accordance with its terms, subject to customary exceptions and qualifications.

ARTICLE 11 CONSOLIDATION, MERGER, SALE, CONVEYANCE AND LEASE

Section 11.01 *Company May Consolidate, Etc. on Certain Terms*. Subject to the provisions of Section 11.02, the Company shall not consolidate with, merge with or into, or sell, convey, transfer or lease all or substantially all of the consolidated assets of the Company, its Subsidiaries and its Consolidated Variable Interest Entities, taken as a whole, to another Person, unless:

(a) the resulting, surviving or transferee Person (the "**Successor Company**"), if not the Company, shall be a corporation validly organized and existing under the laws of the Cayman Islands, the British Virgin Islands, Bermuda, Hong Kong or Singapore and the Successor Company (if not the Company) shall expressly assume, by supplemental indenture all of the obligations of the Company under the Notes and this Indenture (including, for the avoidance of doubt, the obligation to pay Additional Amounts pursuant to Section 4.07);

(b) if the Company will not be the resulting or surviving corporation, the Company shall have, at or prior to the effective date of such transaction, delivered to the Trustee an Officers' Certificate and an Opinion of Counsel, each stating that the execution and delivery of the supplemental indenture do not conflict with the requirements set forth in the Indenture and that all conditions precedent to the execution and delivery of such supplemental indenture have been satisfied subject to customary assumptions and qualifications; and

(c) immediately after giving effect to such transaction, no Default or Event of Default shall have occurred and be continuing under this Indenture.

For purposes of this Section 11.01, the sale, conveyance, transfer or lease of all or substantially all of the assets of one or more Subsidiaries or Consolidated Variable Interest Entities of the Company to another Person, which properties and assets, if held by the Company instead of such Subsidiaries or Consolidated Variable Interest Entities, would constitute all or substantially all of the assets of the Company on a consolidated basis, shall be deemed to be the sale, conveyance, transfer or lease of all or substantially all of the consolidated assets of the Company to another Person.

Section 11.02 *Successor Corporation to Be Substituted*. In case of any such consolidation, merger, sale, conveyance, transfer or lease and upon the assumption by the Successor Company, by supplemental indenture, executed and delivered to the Trustee and satisfactory in form to the Trustee, of the due and punctual payment of the principal of and accrued and unpaid interest, if any, on all of the Notes (including, for the avoidance of doubt, any Additional Amounts), the due and punctual delivery or payment, as the case may be, of any consideration due upon conversion of the Notes (including, for the avoidance of doubt, any Additional Amounts) and the due and punctual performance of all of the covenants and conditions of this Indenture to be performed by the Company, such Successor Company (if not the Company) shall succeed to and, except in the case of a lease of all or substantially all of the Company's properties and assets, shall be substituted for the Company, with the same effect as if it had been named herein as the party of the first part. Such Successor Company thereupon may cause to be signed, and may issue either in its own name or in the name of the Company any or all of the Notes issuable hereunder which theretofore shall not have been signed by the Company and delivered to the Trustee; and, upon the order of such Successor Company instead of the Company and subject to all the terms, conditions and limitations in this Indenture prescribed, the Trustee shall authenticate and shall deliver, or cause to be authenticated and delivered, any Notes that previously shall have been signed and delivered by the Officers of the Company to the Trustee for authentication, and any Notes that such Successor Company thereafter shall cause to be signed and delivered to the Trustee for that purpose. All the Notes so issued shall in all respects have the same legal rank and benefit under this Indenture as the Notes theretofore or thereafter issued in accordance with the terms of this Indenture as though all of such Notes had been issued at the date of the execution hereof. In the event of any such consolidation, merger, sale, conveyance or transfer (but not in the case of a lease), upon compliance with this Article 11 the Person named as the "Company" in the first paragraph of this Indenture (or any successor that shall thereafter have become such in the manner prescribed in this Article 11) may be dissolved, wound up and liquidated at any time thereafter and, except in the case of a lease, such Person shall be released from its liabilities as obligor and maker of the Notes and from its obligations under this Indenture and the Notes.

In case of any such consolidation, merger, sale, conveyance, transfer or lease, such changes in phraseology and form (but not in substance) may be made in the Notes thereafter to be issued as may be appropriate.

Section 11.03 *Opinion of Counsel to Be Given to Trustee*. No consolidation, merger, sale, conveyance, transfer or lease shall be effective unless the Trustee shall receive an Officers' Certificate and an Opinion of Counsel as conclusive evidence that any such consolidation, merger, sale, conveyance, transfer or lease and any such assumption and, if a supplemental indenture is required in connection with such transaction, such supplemental indenture, complies with the provisions of this Article 11, that all conditions precedent thereto have been satisfied and that the Notes and such supplemental indenture are the legal, valid and binding obligations of the Successor Company, enforceable against it in accordance with its terms, subject to customary assumptions, qualifications, and exceptions.

ARTICLE 12 IMMUNITY OF INCORPORATORS, STOCKHOLDERS, OFFICERS AND DIRECTORS

Section 12.01 *Indenture and Notes Solely Corporate Obligations*. No recourse for the payment of the principal of or accrued and unpaid interest, if any, on any Note, nor for any claim based thereon or otherwise in respect thereof, and no recourse under or upon any obligation, covenant or agreement of the Company in this Indenture or in any supplemental indenture or in any Note, nor because of the creation of any indebtedness represented thereby, shall be had against any incorporator, stockholder, employee, agent, Officer or director or Subsidiary, as such, past, present or future, of the Company or of any successor corporation, either directly or through the Company or any successor corporation, whether by virtue of any constitution, statute or rule of law, or by the enforcement of any assessment or penalty or otherwise; it being expressly understood that all such liability is hereby expressly waived and released as a condition of, and as a consideration for, the execution of this Indenture and the issue of the Notes.

ARTICLE 13 INTENTIONALLY OMITTED

ARTICLE 14 CONVERSION OF NOTES

Section 14.01 *Conversion Privilege*. Subject to and upon compliance with the provisions of this Article 14, each Holder of a Note shall have the right, at such Holder's option, to convert all or any portion (if the portion to be converted is US\$1,000 principal amount or an integral multiple thereof) of such Note, at any time prior to the close of business on the third Scheduled Trading Day immediately preceding the Maturity Date at an initial conversion rate of 80.8865 ADSs (subject to adjustment as provided in this Article 14, the "Conversion Rate") per US\$1,000 principal amount of Notes (subject to, and in accordance with, the settlement provisions of Section 14.02, the "Conversion Obligation"). For the avoidance of doubt, "Conversion Rate" as of a particular date without setting forth a particular time on such date shall mean the Conversion Rate immediately after the close of business on such date.

Section 14.02 *Conversion Procedure; Settlement Upon Conversion*. (a) Subject to this Section 14.02, Section 14.03(b) and Section 14.07(a), upon conversion of any Note, the Company shall pay or deliver, as the case may be, to the converting Holder, in respect of each US\$1,000 principal amount of Notes being converted, cash ("Cash Settlement"), ADSs together with cash, if applicable, in lieu of delivering any fractional ADS ("Fractional ADS") (in accordance with subsection (j) of this Section 14.02 ("Physical Settlement")) or a combination of cash and ADSs, together with cash, if applicable, in lieu of delivering any Fractional ADS in accordance with subsection (j) of this Section 14.02 ("Combination Settlement"), at its election, as set forth in this Section 14.02.

(i) All conversions for which the relevant Conversion Date occurs after the Company's issuance of a Redemption Notice with respect to the Notes and prior to the close of business on the third Scheduled Trading Day prior to the related Redemption Date, as applicable, and all conversions for which the relevant Conversion Date occurs on or after the 92nd Scheduled Trading Day immediately preceding the stated Maturity Date will be settled using the same Settlement Method.

(ii) Except for any conversions for which the relevant Conversion Date occurs after the Company's issuance of a Redemption Notice with respect to the Notes but prior to the close of business on the third Scheduled Trading Day prior to the related Redemption Date, as applicable, and any conversions for which the relevant Conversion Date occurs on or after the 92nd Scheduled Trading Day immediately preceding the stated Maturity Date the Company shall use the same Settlement Method for all conversions with the same Conversion Date, but the Company shall not have any obligation to use the same Settlement Method with respect to conversions with different Conversion Dates.

(iii) If, in respect of any Conversion Date (or, in the case of any conversions for which the relevant Conversion Date occurs after the date of issuance of a related Redemption Notice with respect to the Notes and prior to the close of business on the third Scheduled Trading Day prior to the related Redemption Date, in such Redemption Notice or on or after the 92nd Scheduled Trading Day immediately preceding the Maturity Date, no later than the 92nd Scheduled Trading Day immediately preceding the Maturity Date, as the case may be), the Company elects a Settlement Method, the Company shall deliver a written notice (the "**Settlement Notice**") of the relevant Settlement Method in respect of such Conversion Date (or such period, as the case may be) to converting Holders, the Trustee and the Conversion Agent (if other than the Trustee) no later than the close of business on the Trading Day immediately following the relevant Conversion Date (or, in the case of any conversions for which the relevant Conversion Date occurs after the date of issuance of a Redemption Notice with respect to the Notes and prior to the close of business on the third Scheduled Trading Day prior to the related Redemption Date in such Redemption Notice or on or after the 92nd Scheduled Trading Day immediately preceding the Maturity Date, no later than the 92nd Scheduled Trading Day immediately preceding the Maturity Date) (in each case, the "**Settlement Method Election Deadline**"). If the Company does not elect a Settlement Method prior to the deadline set forth in the immediately preceding sentence, the Company shall no longer have the right to elect Cash Settlement or Combination Settlement and the Company shall be deemed to have elected Physical Settlement in respect of the Company's Conversion Obligation (such settlement method, the "**Default Settlement Method**" initially elected by the Company). Such Settlement Notice shall specify the relevant Settlement Method and in the case of an election of Combination Settlement, the relevant Settlement Notice shall indicate the Specified Dollar Amount per US\$1,000 principal amount of Notes. If the Company delivers a Settlement Notice electing Combination Settlement in respect of its Conversion Obligation but does not indicate a Specified Dollar Amount per US\$1,000 principal amount of Notes in such Settlement Notice, the Specified Dollar Amount per US\$1,000 principal amount of Notes shall be deemed to be US\$1,000.

(iv) The Company may, by written notice to Holders, the Trustee and the Conversion Agent (if other than the Trustee), prior to the 92nd Scheduled Trading Day immediately preceding the Maturity Date, change the Default Settlement Method or elect to irrevocably fix the Settlement Method to any Settlement Method that the Company is then permitted to elect, including Combination Settlement with a Specified Dollar Amount per US \$1,000 principal amount of Notes of US\$1,000 or with an ability to continue to set the Specified Dollar Amount per US \$1,000 principal amount of Notes at or above any specific amount set forth in such election notice, that will apply to all Note conversions with a Conversion Date that is on or after the date the Company sends such notice. If the Company changes the Default Settlement Method or elects to irrevocably fix the Settlement Method, in either case, to Combination Settlement with an ability to continue to set the Specified Dollar Amount per US \$1,000 principal amount of Notes at or above a specified amount, the Company shall, after the date of such change or election, as the case may be, notify Holders converting their Notes, the Trustee and the Conversion Agent (if other than the Trustee) in writing of such Specified Dollar Amount in respect of the relevant conversion or conversions no later than the relevant Settlement Method Election Deadline for such conversion or conversions, or, if the Company does not timely notify the Holders, the Trustee and the Conversion Agent (if other than the Trustee) of the Specified Dollar Amount, such Specified Dollar Amount shall be the specific amount set forth in the change or election notice or, if no specific amount was set forth in the change or election notice, such Specified Dollar Amount shall be deemed to be \$1,000 per \$1,000 principal amount of Notes. If the Company changes the Default Settlement Method or irrevocably fixes the Settlement Method, then the Company shall concurrently either post the Default Settlement Method or fixed Settlement Method, as applicable, on the Company's website or disclose the same in a current report on Form 6-K (or any successor form) that is filed with the Commission. Notwithstanding the foregoing, no such change in the Default Settlement Method or irrevocable election will affect any Settlement Method theretofore elected (or deemed to be elected) with respect to any Conversion Date pursuant to this Section 14.02. For the avoidance of doubt, such change or election (as the case may be), if made, will be effective without the need to amend this Indenture or the Notes, including pursuant to Section 10.02(a). However, the Company may nonetheless choose to execute such an amendment at the Company's option.

(v) Subject to Section 14.03 and Section 14.04, the cash, ADSs or a combination of cash and ADSs, as applicable, in respect of any conversion of Notes (the "**Settlement Amount**") shall be computed as follows:

(A) if the Company elects (or is deemed to have elected) to satisfy its Conversion Obligation in respect of such conversion by Physical Settlement, the Company shall deliver to the converting Holder in respect of each US\$1,000 principal amount of Notes being converted a number of ADSs equal to the Conversion Rate in effect on the Conversion Date for such conversion;

(B) if the Company elects (or is deemed to have elected) to satisfy its Conversion Obligation in respect of such conversion by Cash Settlement, the Company shall pay to the converting Holder in respect of each US\$1,000 principal amount of Notes being converted cash in an amount equal to the sum of the Daily Conversion Values for each of the 90 consecutive Trading Days during the related Observation Period; and

(C) if the Company elects (or is deemed to have elected) to satisfy its Conversion Obligation in respect of such conversion by Combination Settlement, the Company shall pay or deliver, as the case may be, in respect of each US\$1,000 principal amount of Notes being converted, a Settlement Amount equal to the sum of the Daily Settlement Amounts for each of the 90 consecutive Trading Days during the related Observation Period.

(vi) The Daily Settlement Amounts (if applicable) and the Daily Conversion Values (if applicable) shall be determined by the Company promptly following the last day of the Observation Period. Promptly after such determination of the Daily Settlement Amounts or the Daily Conversion Values, as the case may be, and the amount of cash payable in lieu of delivering any fractional ADS, the Company shall notify the Trustee and the Conversion Agent in writing of the Daily Settlement Amounts or the Daily Conversion Values, as the case may be, and the amount of cash payable in lieu of delivering fractional ADSs. The Trustee and the Conversion Agent (if other than the Trustee) shall have no responsibility for any such determination or the distribution of such cash payable in lieu of Fractional ADSs.

(vii) Any ADSs deliverable upon conversion of the Notes and any Ordinary Shares represented thereby will, prior to the Resale Restriction Termination Date, subject to certain transfer restrictions as set forth in Section 2.05(d).

(b) Subject to Section 14.02(e), before any Holder of a Note shall be entitled to convert a Note as set forth above, such Holder shall (i) in the case of a Global Note, (1) comply with the procedures of the Depository in effect at that time for converting a beneficial interest in a Global Note, and the procedures agreed between the Company and the ADS Depository with respect to any ADSs issued upon conversion of the Notes prior to the Resale Restriction Termination Date (including delivery of a notice as set forth in the Form of Notice of Conversion (or a facsimile thereof) (a “**Notice of Conversion**”) as provided therein), and (2), if required, pay funds equal to interest, if any, payable on the next Interest Payment Date to which such Holder is not entitled as set forth in Section 14.02(h), and (ii) in the case of a Physical Note (1) complete, manually sign and deliver a duly completed irrevocable Notice of Conversion to the Conversion Agent at the specified office of the Conversion Agent, the Company and, to the ADS Depository, and state in writing therein the principal amount of Notes to be converted and the name or names (with addresses) in which such Holder wishes the certificate or certificates for any ADSs to be delivered upon settlement of the Conversion Obligation to be registered, (2) surrender such Notes, duly endorsed to the Company or in blank (and accompanied by appropriate endorsement and transfer documents), at the specified office of the Conversion Agent, (3) if required, furnish appropriate endorsements and transfer documents and (4) if required, pay funds equal to interest, if any, payable on the next Interest Payment Date to which such Holder is not entitled as set forth in Section 14.02(h). The Trustee (and if different, the Conversion Agent) shall notify the Company of any conversion pursuant to this Article 14 on the Conversion Date for such conversion. No Notice of Conversion with respect to any Notes may be delivered and no Notes may be surrendered by a Holder for conversion thereof if such Holder has also delivered a Repurchase Notice or Fundamental Change Repurchase Notice to the Company in respect of such Notes and has not validly withdrawn such Repurchase Notice or Fundamental Change Repurchase Notice, as the case may be, in accordance with Section 15.03. Notice of Conversion shall be delivered at the Corporate Trust Office of any Conversion Agent on any Business Day from 9:00 a.m. to 5:00 p.m. at the location of the Conversion Agent to which such Notice of Conversion is delivered. Any Notice of Conversion and any Physical Note (if issued) deposited outside the hours specified or on a day that is not a Business Day at the location of the Conversion Agent shall for all purposes be deemed to have been delivered with that Conversion Agent between 9:00 a.m. and 5:00 p.m. on the next Business Day. The delivery of the ADSs or any cash in lieu of Fractional ADSs by the ADS Depository to Holders upon conversion of their Notes or their designated transferees will be governed by the terms of the Deposit Agreement and by procedures agreed between the Company and the ADS Depository with respect to any ADSs issued upon conversion of the Notes.

By converting a beneficial interest in a Global Note, the Holder is deemed to represent to the Company and the ADS Depositary that such Holder is not an “affiliate” (as defined in Rule 144) of the Company and has not been an “affiliate” of the Company during the three months immediately preceding the Conversion Date (such representation, the “**Non-Affiliate Representation**”).

Subject to the terms of the legends (if any) on the Notes, if a Holder holds a beneficial interest in a Global Note and is unable to make the Non-Affiliate Representation when converting a beneficial interest in a Global Note, to convert the Holder must (1) complete and manually sign the Notice of Conversion, (2) deliver the duly completed Notice of Conversion, which is irrevocable, to the Conversion Agent, the ADS Depositary and the Company and deliver the Notes being converted to the Trustee through the “Deposit/Withdrawal of Custodian” (DWAC) service of the DTC or by another transfer method as may be directed by the Trustee; (3) if required, furnish appropriate endorsements and transfer documents; and (4) if required, pay funds equal to interest payable on the next Interest Payment Date to which the Holder is not entitled.

If more than one Note shall be surrendered for conversion at one time by the same Holder, the Conversion Obligation with respect to such Notes shall be computed on the basis of the aggregate principal amount of the Notes (or specified portions thereof to the extent permitted thereby) so surrendered.

(c) A Note shall be deemed to have been converted immediately prior to the close of business on the date (the “**Conversion Date**”) that the Holder has complied with the requirements set forth in subsection (b) above. The Company shall pay or deliver, as the case may be, the consideration due in respect of the Conversion Obligation on the third Business Day immediately following the relevant Conversion Date, if the Company elects Physical Settlement, or on the third Business Day immediately following the last Trading Day of the relevant Observation Period, in the case of any other Settlement Method, provided that in respect of all conversions for which the relevant Conversion Date occurs on or after the Interest Payment Date immediately preceding the Maturity Date, if the Company elects Physical Settlement, the Company will deliver the consideration due in respect of conversion on the Maturity Date. Solely for the purpose of this subsection, the provisions referred to in Section 6.01(c), “Business Day” shall also not include days on which banking institutions in Cayman Islands are authorized or obligated by law or executive order to close or to be closed. If any ADSs are due to a converting Holder, subject to the procedures agreed between the Company and the ADS Depositary with respect to any ADSs issued upon conversion prior to the Resale Restriction Termination Date, the Company shall issue or cause to be issued, and deliver (if applicable) to such Holder, or such Holder’s nominee or nominees, the full number of ADSs to which such Holder shall be entitled, in book-entry format through the Depositary, in satisfaction of the Company’s Conversion Obligation.

(d) In case any Note shall be surrendered for partial conversion, the Company shall execute and upon receipt of a Company Order, the Trustee shall authenticate and deliver to or upon the written order of the Holder of the Note so surrendered a new Note or Notes in authorized denominations in an aggregate principal amount equal to the unconverted portion of the surrendered Note, without payment of any service charge by the converting Holder but, if required by the Company or Trustee, with payment of a sum sufficient to cover any documentary, stamp or similar issue or transfer tax or similar governmental charge required by law or that may be imposed in connection therewith as a result of the name of the Holder of the new Notes issued upon such conversion being different from the name of the Holder of the old Notes surrendered for such conversion.

(e) If a Holder submits a Note for conversion, the Company shall pay any documentary, stamp, issue, transfer or similar tax (including any penalties and interest related thereto) due on the delivery of any ADSs upon conversion of the Notes (including due on the issuance of the Ordinary Shares underlying such ADSs), unless the tax is due because the Holder requests such ADSs to be issued in a name other than the Holder's name, in which case the Holder shall pay that tax. The Company may refuse to deliver the certificates representing the ADSs being issued in a name other than the Holder's name until the Company or the ADS Depository, as applicable, receives a sum sufficient to pay any tax that is due by such Holder in accordance with the immediately preceding sentence. The Company shall also pay the ADS Depository's fees for the issuance of all ADSs (if any) deliverable upon conversion of the Notes.

(f) Except as provided in Section 14.04, no adjustment shall be made for dividends on any ADSs delivered upon the conversion of any Note as provided in this Article 14.

(g) Upon the conversion of an interest in a Global Note, the Trustee, acting at the direction of the Trustee, shall make a notation on such Global Note as to the reduction in the principal amount represented thereby. The Company shall notify the Trustee in writing of any conversion of Notes effected through any Conversion Agent other than the Trustee.

(h) Upon conversion, a Holder shall not receive any separate cash payment for accrued and unpaid interest, if any, except as set forth below and the Company will not adjust the Conversion Rate for the accrued and unpaid interest on the Notes, if any. The Company's settlement of the Conversion Obligation shall be deemed to satisfy in full its obligation to pay the principal amount of the Note and accrued and unpaid interest, if any, to, but not including, the relevant Conversion Date. As a result, accrued and unpaid interest, if any, to, but not including, the relevant Conversion Date shall be deemed to be paid in full rather than cancelled, extinguished or forfeited. Upon a conversion of Notes into a combination of cash and ADSs, accrued and unpaid interest, if any, will be deemed to be paid first out of the cash paid upon such conversion. Notwithstanding the foregoing, if Notes are converted after the close of business on a Regular Record Date and prior to the open of business on the immediately following Interest Payment Date, Holders of such Notes as of the close of business on such Regular Record Date will receive the full amount of interest, if any, payable on such Notes on the corresponding Interest Payment Date notwithstanding the conversion. Notes surrendered for conversion during the period from the close of business on any Regular Record Date to the open of business on the immediately following Interest Payment Date must be accompanied by funds equal to the amount of interest, if any, payable on the Notes so converted (regardless of whether the converting Holder was the holder of record on the corresponding Regular Record Date); provided that no such payment shall be required (1) for conversions following the Regular Record Date immediately preceding the Maturity Date; (2) if the Company has specified a Redemption Date that is after a Regular Record Date and on or prior to the third Scheduled Trading Business Day immediately succeeding the corresponding Interest Payment Date (or, if such Interest Payment Date is not a Business Day, the third Scheduled Trading Day immediately succeeding the first Business Day following such Interest Payment Date); (3) if the Company has specified a Fundamental Change Repurchase Date that is after a Regular Record Date and on or prior to the second Scheduled Trading Day immediately succeeding the corresponding Interest Payment Date (or, if such Interest Payment Date is not a Business Day, the second Scheduled Trading Day immediately succeeding the first Business Day following such Interest Payment Date); or (4) to the extent of any Defaulted Amounts, if any Defaulted Amounts exists at the time of conversion with respect to such Note. Neither the Trustee nor the Conversion Agent (if other than the Trustee) will have any duty to determine or verify (i) determination by the Company of whether any of the conditions to conversion have been satisfied or (ii) the Conversion Rate.

(i) The Person in whose name the certificate for any ADSs shall be delivered upon conversion is registered shall be treated by the Company as a holder of record of such ADSs as of the close of business on the relevant Conversion Date (if the Company elects to satisfy the related Conversion Obligation by Physical Settlement) or the last Trading Day of the relevant Observation Period (if the Company elects to satisfy the related Conversion Obligation by Combination Settlement), as the case may be. Upon a conversion of Notes, such Person shall no longer be a Holder of such Notes surrendered for conversion.

(j) The Company shall not issue any Fractional ADS upon conversion of the Notes and shall instead pay cash in lieu of delivering any Fractional ADS based on the Daily VWAP for the relevant Conversion Date (in the case of Physical Settlement) or based on the Daily VWAP for the last Trading Day of the relevant Observation Period (in the case of Combination Settlement). For each Note surrendered for conversion, if the Company has elected (or is deemed to have elected) Combination Settlement, the full number of ADSs that shall be issued upon conversion thereof shall be computed on the basis of the aggregate Daily Settlement Amounts for the relevant Observation Period and any Fractional ADS remaining after such computation shall be paid in cash.

(k) In accordance with the Deposit Agreement, the Omnibus Restricted ADS Letter Agreement, the Note Conversion Letter Agreement, the Affiliate Restricted ADS Series Supplement and/or the Non-affiliate Restricted ADS Series Supplement, the Company shall issue to the ADS Custodian such Ordinary Shares required for the issuance of the ADSs upon conversion of the Notes, plus written delivery instructions (if requested by the ADS Depository or the ADS Custodian) for such ADSs, shall deliver such legal opinions and any other information or documentation and shall comply with the Deposit Agreement, the Omnibus Restricted ADS Letter Agreement, the Note Conversion Letter Agreement, the Affiliate Restricted ADS Series Supplement and/or the Non-affiliate Restricted ADS Series Supplement, in each case, as required by the ADS Depository or the ADS Custodian in connection with each issue of Ordinary Shares and issuance and delivery of ADSs.

Section 14.03 *Increased Conversion Rate Applicable to Certain Notes Surrendered in Connection with Make-Whole Fundamental Changes.* (a) If a Make-Whole Fundamental Change occurs prior to the Maturity Date and a Holder elects to convert its Notes in connection with such Make-Whole Fundamental Change, the Company shall, under the circumstances described below, increase the Conversion Rate for the Notes so surrendered for conversion by a number of additional ADSs (the “Additional ADSs”), as described below. A conversion of Notes shall be deemed for these purposes to be “in connection with” such Make-Whole Fundamental Change if the relevant Notice of Conversion is received by the Conversion Agent from, and including, the Effective Date of the Make-Whole Fundamental Change up to, and including, the second Scheduled Trading Day immediately prior to the related Fundamental Change Repurchase Date (or, in the case of a Make-Whole Fundamental Change that would have been a Fundamental Change but for the proviso in clause (b) of the definition thereof, the 35th Trading Day immediately following the Effective Date of such Make-Whole Fundamental Change). The Company shall provide written notification to Holders and the Trustee (and the Conversion Agent, if other than the Trustee) of the Effective Date of any Make-Whole Fundamental Change and issue a press release announcing such Effective Date no later than five Business Days after such Effective Date.

(b) Upon surrender of Notes for conversion in connection with a Make-Whole Fundamental Change, the Company shall, at its option, satisfy the related Conversion Obligation by Physical Settlement, Cash Settlement or Combination Settlement in accordance with Section 14.02; *provided, however*, that if, at the effective time of a Make-Whole Fundamental Change described in clause (b) of the definition of Fundamental Change, the Reference Property following such Make-Whole Fundamental Change is composed entirely of cash, for any conversion of Notes following the Effective Date of such Make-Whole Fundamental Change, the Conversion Obligation shall be calculated based solely on the ADS Price for the transaction and shall be deemed to be an amount of cash per US\$1,000 principal amount of converted Notes equal to the Conversion Rate (including any adjustment for Additional ADSs), *multiplied by* such ADS Price.

(c) The number of Additional ADSs, if any, by which the Conversion Rate shall be increased shall be determined by reference to the table below, based on the date on which the Make-Whole Fundamental Change occurs or becomes effective (the “**Effective Date**”) and the price (the “**ADS Price**”) paid (or deemed to be paid) per ADS in the Make-Whole Fundamental Change. If the holders of the ADSs receive in exchange for their ADSs only cash in a Make-Whole Fundamental Change described in clause (b) of the definition of Fundamental Change, the ADS Price shall be the cash amount paid per ADS. Otherwise, the ADS Price shall be the average of the Last Reported Sale Prices of the ADSs over the five Trading Day period ending on, and including, the Trading Day immediately preceding the Effective Date of the Make-Whole Fundamental Change.

(d) The ADS Prices set forth in the column headings of the table below shall be adjusted as of any date on which the Conversion Rate of the Notes is otherwise adjusted. The adjusted ADS Prices shall equal the ADS Prices applicable immediately prior to such adjustment, *multiplied* by a fraction, the numerator of which is the Conversion Rate immediately prior to such adjustment giving rise to the ADS Price adjustment and the denominator of which is the Conversion Rate as so adjusted. The number of Additional ADSs set forth in the table below shall be adjusted in the same manner and at the same time as the Conversion Rate as set forth in Section 14.04.

(e) The following table sets forth the number of Additional ADSs to be received per US\$1,000 principal amount of Notes pursuant to this Section 14.03 for each ADS Price and Effective Date set forth below:

Effective Date	ADS Price											
	\$ 9.51	\$ 10.00	\$ 11.00	\$ 12.36	\$ 13.00	\$ 15.00	\$ 17.50	\$ 20.00	\$ 25.00	\$ 30.00	\$ 50.00	\$ 75.00
June 24, 2025	24.2660	21.5170	17.0645	12.7953	11.2892	7.9307	5.4669	3.9965	2.3932	1.5550	0.2996	0.0000
July 1, 2026	24.2660	21.5170	16.6982	12.1100	10.5315	7.1220	4.7543	3.4140	2.0228	1.3190	0.2592	0.0000
July 1, 2027	24.2660	21.1220	15.6736	10.8050	9.2023	5.9060	3.7851	2.6630	1.5672	1.0310	0.2046	0.0000
July 1, 2028	24.2660	19.1135	13.3918	8.8722	7.3900	4.4147	2.6469	1.8080	1.0692	0.7190	0.1444	0.0000
July 1, 2029	24.2660	19.1135	11.8827	6.7371	5.1877	2.4840	1.2897	0.8680	0.5452	0.3803	0.0762	0.0000
July 1, 2030	24.2660	19.1135	10.0226	0.0197	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000

The exact ADS Prices and Effective Dates may not be set forth in the table above, in which case:

(i) if the ADS Price is between two ADS Prices in the table above or the Effective Date is between two Effective Dates in the table, the number of Additional ADSs shall be determined by a straight-line interpolation between the number of Additional ADSs set forth for the higher and lower ADS Prices and the earlier and later Effective Dates, as applicable, based on a 365-day year;

(ii) if the ADS Price is greater than US\$75.00 per ADS (subject to adjustment in the same manner as the ADS Prices set forth in the column headings of the table above pursuant to subsection (d) above), no Additional ADSs shall be added to the Conversion Rate; and

(iii) if the ADS Price is less than US\$9.51 per ADS (subject to adjustment in the same manner as the ADS Prices set forth in the column headings of the table above pursuant to subsection (d) above), no Additional ADSs shall be added to the Conversion Rate.

Notwithstanding the foregoing, in no event shall the Conversion Rate per US\$1,000 principal amount of Notes exceed 105.1525 ADSs, subject to adjustment in the same manner as the Conversion Rate pursuant to Section 14.04.

(f) Nothing in this Section 14.03 shall prevent an adjustment to the Conversion Rate pursuant to Section 14.04.

(g) If the Holder elects to convert its Notes in connection with a Redemption Notice pursuant to Article 16, in each case, the Conversion Rate shall be increased by a number of Additional ADSs determined pursuant to this Section 14.03(g). The Company shall settle conversions of Notes as described in Section 14.02.

A conversion shall be deemed to be “in connection with” a Redemption Notice pursuant to Article 16, in each case, if the relevant Notice of Conversion is received by the Conversion Agent during the period from, and including, the date the Company provides the related Redemption Notice to Holders until the close of business on the third Scheduled Trading Day immediately preceding the related Redemption Date (or, if the Company fails to pay the Redemption Price, such later date on which the Company pays the Redemption Price).

Simultaneously with providing such Redemption Notice, the Company shall publish a notice containing this information in a newspaper of general circulation in The City of New York or publish the information on the Company’s website or through such other public medium as the Company may use at that time.

The number of Additional ADSs by which the Conversion Rate will be increased in the event the Company elects to redeem the Notes pursuant to Article 16 hereof will be determined by reference to the table in clause (e) above based on the Redemption Reference Date and the Redemption Reference Price (each as defined below), but determined for purposes of this Section 14.03(g) as if (x) the Holder had elected to convert its Notes in connection with a Make-Whole Fundamental Change, (y) the applicable “Redemption Reference Date” were the “Effective Date” as specified in clause (c) above and (z) the applicable “Redemption Reference Price” were the “ADS price” as specified in clause (c) above. “**Redemption Reference Date**” means the date the Company delivers the relevant Redemption Notice. “**Redemption Reference Price**” means, for any conversion in connection with a Redemption Notice pursuant to Article 16, in each case, the average of the Last Reported Sale Prices of the ADSs over the ten consecutive Trading Day period ending on, and including the Trading Day immediately preceding, the date the Company delivers the relevant Redemption Notice.

In the event that a conversion during the period from, and including, the applicable Redemption Notice date up to, and including, the third Scheduled Trading Day immediately prior to the related Redemption Date would also be deemed to be a conversion in connection with a Make-Whole Fundamental Change, a Holder of the Notes to be converted will be entitled to a single increase to the Conversion Rate with respect to the first to occur of the earliest date of the applicable Redemption Notice and the Effective Date of any applicable Make-Whole Fundamental Change, and the later event(s) will be deemed not to have occurred for purposes of this Section with respect to such conversion.

Section 14.04 *Adjustment of Conversion Rate*. If the number of Ordinary Shares represented by the ADSs is changed, after the date of this Indenture, for any reason other than one or more of the events described in this Section 14.04, the Company shall make an appropriate adjustment to the Conversion Rate such that the number of Ordinary Shares represented by the ADSs upon which conversion of the Notes is based remains the same.

Notwithstanding the adjustment provisions described in this Section 14.04, if the Company distributes to holders of the Ordinary Shares any cash, rights, options, warrants, shares of Capital Stock or similar equity interest, evidences of indebtedness or other assets or property of the Company (but excluding Expiring Rights) and a corresponding distribution is not made to holders of the ADSs, but, instead, the ADSs shall represent, in addition to Ordinary Shares, such cash, rights, options, warrants, shares of Capital Stock or similar equity interest, evidences of indebtedness or other assets or property of the Company, then an adjustment to the Conversion Rate described in this Section 14.04 shall not be made until and unless a corresponding distribution (if any) is made to holders of the ADSs, and such adjustment to the Conversion Rate shall be based on the distribution made to the holders of the ADSs and not on the distribution made to the holders of the Ordinary Shares. However, in the event that the Company issues or distributes to all holders of the Ordinary Shares any Expiring Rights, notwithstanding the immediately preceding sentence, the Company shall adjust the Conversion Rate pursuant to Section 14.04(b) (in the case of Expiring Rights described in clause (b) below entitling holders of the Ordinary Shares for a period of not more than 45 calendar days after the announcement date of such issuance to subscribe for or purchase Ordinary Shares or ADSs) or Section 14.04(c) (in the case of all other Expiring Rights).

For the avoidance of doubt, if any event described in this Section 14.04 results in a change to the number of Ordinary Shares represented by the ADSs, then such a change shall be deemed to satisfy the Company's obligation to effect the relevant adjustment to the Conversion Rate on account of such an event to the extent such change reflects what a corresponding change to the Conversion Rate would have been on account of such event.

The Conversion Rate shall be adjusted from time to time by the Company if any of the following events occurs, except that the Company shall not make any adjustments to the Conversion Rate if Holders of the Notes participate (other than in the case of (x) a share split or share combination or (y) a tender or exchange offer), at the same time and upon the same terms as holders of the ADSs and solely as a result of holding the Notes, in any of the transactions described in this Section 14.04, without having to convert their Notes, as if they held a number of ADSs equal to the Conversion Rate, *multiplied by* the principal amount (expressed in thousands) of Notes held by such Holder. The Company shall make all these calculations in good faith. The Company shall provide a schedule of its calculations to each of the Trustee and the Conversion Agent (if other than the Trustee), and each of the Trustee and the Conversion Agent is entitled to rely conclusively and without liability upon the accuracy of the Company's calculations without independent verification. Neither the Trustee nor the Conversion Agent nor any of the Agents shall have any responsibility to monitor or verify the accuracy of any calculation of any adjustment to the Conversion Rate and the same shall be conclusive and binding on the Holders, absent manifest error. Notice of such adjustment to the Conversion Rate shall be given by the Company promptly in writing to the Holders, the Trustee, the Paying Agent and the Conversion Agent and shall be conclusive and binding on the Holders, absent manifest error.

(a) If the Company exclusively issues Ordinary Shares as a dividend or distribution on the Ordinary Shares, or if the Company effects a share split or share combination, the Conversion Rate shall be adjusted based on the following formula:

$$CR_1 = CR_0 \times \frac{OS_1}{OS_0}$$

where,

- CR₀ = the Conversion Rate in effect immediately prior to the open of business on the Ex-Dividend Date for the ADSs of such dividend or distribution, or immediately prior to the open of business on the Effective Date of such share split or share combination, as applicable;
- CR₁ = the Conversion Rate in effect immediately after the open of business on such Ex-Dividend Date or Effective Date, as applicable;
- OS₀ = the number of Ordinary Shares outstanding immediately prior to the open of business on such Ex-Dividend Date or Effective Date, as applicable (before giving effect to any such dividend, distribution, share split or combination); and
- OS₁ = the number of Ordinary Shares outstanding immediately after giving effect to such dividend, distribution, share split or share combination.

Any adjustment made under this Section 14.04(a) shall become effective immediately after the open of business on the Ex-Dividend Date for the ADSs for such dividend or distribution, or immediately after the open of business on the Effective Date for such share split or share combination, as applicable. If any dividend or distribution of the type described in this Section 14.04(a) is declared but not so paid or made, the Conversion Rate shall be immediately readjusted, effective as of the date the Board of Directors determines not to pay such dividend or distribution, to the Conversion Rate that would then be in effect if such dividend or distribution had not been declared.

(b) If the Company issues to all or substantially all holders of the Ordinary Shares (directly or in the form of ADSs) (other than in connection with a stockholder rights plan) any rights, options or warrants entitling them, for a period of not more than 45 calendar days after the announcement date of such issuance, to subscribe for or purchase Ordinary Shares (directly or in the form of ADSs) at a price per Ordinary Share that is less than the average of the Last Reported Sale Prices of the Ordinary Shares or the ADSs, as the case may be (*divided by*, in the case of the ADSs, the number of Ordinary Shares then represented by one ADS), for the 10 consecutive Trading Day period ending on, and including, the Trading Day immediately preceding the date of announcement of such issuance, the Conversion Rate shall be increased based on the following formula:

$$CR_1 = CR_0 \times \frac{OS_0 + X}{OS_0 + Y}$$

where,

- CR₀ = the Conversion Rate in effect immediately prior to the open of business on the Ex-Dividend Date for the ADSs for such issuance;
- CR₁ = the Conversion Rate in effect immediately after the open of business on such Ex-Dividend Date;
- OS₀ = the number of Ordinary Shares outstanding immediately prior to the open of business on such Ex-Dividend Date;
- X = the total number of Ordinary Shares (directly or in the form of ADSs) deliverable pursuant to such rights, options or warrants; and
- Y = the number of Ordinary Shares equal to (i) the aggregate price payable to exercise such rights, options or warrants, *divided by* (ii) the quotient of (a) the average of the Last Reported Sale Prices of the ADSs over the 10 consecutive Trading Day period ending on, and including, the Trading Day immediately preceding the date of announcement of the issuance of such rights, options or warrants *divided by* (b) the number of Ordinary Shares then represented by one ADS.

Any increase made under this Section 14.04(b) will be made successively whenever any such rights, options or warrants are issued and shall become effective immediately after the open of business on the Ex-Dividend Date for the ADSs for such issuance. To the extent that Ordinary Shares or ADSs are not delivered after the expiration of such rights, options or warrants, the Conversion Rate shall be decreased to the Conversion Rate that would then be in effect had the increase with respect to the issuance of such rights, options or warrants been made on the basis of delivery of only the number of Ordinary Shares actually delivered (directly or in the form of ADSs). To the extent such rights, options or warrants are not so issued, the Conversion Rate shall be decreased to the Conversion Rate that would then be in effect had the increase to the Conversion Rate for such issuance been made on the basis of only the rights, options or warrants, if any, actually issued.

For purposes of this Section 14.04(b), in determining whether any rights, options or warrants entitle the holders to subscribe for or purchase Ordinary Shares (directly or in the form of ADSs) at a price per Ordinary Share that is less than such average of the Last Reported Sale Prices of the Ordinary Shares or the ADSs, as the case may be (divided by, in the case of the ADSs, the number of Ordinary Shares then represented by one ADS), for the 10 consecutive Trading Day period ending on, and including, the Trading Day immediately preceding the date of announcement for such issuance, and in determining the aggregate offering price of such Ordinary Shares or ADSs, there shall be taken into account any consideration received by the Company for such rights, options or warrants and any amount payable on exercise or conversion thereof, the value of such consideration, if other than cash, to be determined by the Board of Directors.

(c) If the Company distributes shares of its Capital Stock, evidences of its indebtedness, other assets or property of the Company or rights, options or warrants to acquire its Capital Stock or other securities, to all or substantially all holders of the Ordinary Shares (directly or in the form of ADSs), excluding (i) rights issued under a stockholders rights plan (except as described below), (ii) dividends, distributions or issuances as to which an adjustment was effected pursuant to Section 14.04(a) or Section 14.04(b), (iii) dividends or distributions paid exclusively in cash as to which an adjustment was effected pursuant to Section 14.04(d), (iv) distributions of Reference Property in exchange for or upon conversion of the Company's Ordinary Shares in a transaction set forth in Section 14.07, (v) Spin-Offs as to which the provisions set forth below in this Section 14.04(c) shall apply (any of such shares of Capital Stock, evidences of indebtedness, other assets or property or rights, options or warrants to acquire Capital Stock or other securities of the Company, the "**Distributed Property**") and (vi) a tender offer or an exchange offer of the Ordinary Shares as to which the provisions set forth in Section 14.04(e) shall apply, then the Conversion Rate shall be increased based on the following formula:

$$CR_1 = CR_0 \times \frac{SP_0}{SP_0 - FMV}$$

where,

CR_0 = the Conversion Rate in effect immediately prior to the open of business on the Ex-Dividend Date for the ADSs for such distribution;

CR_1 = the Conversion Rate in effect immediately after the open of business on such Ex-Dividend Date;

SP_0 = the average of the Last Reported Sale Prices of the ADSs (*divided by* the number of Ordinary Shares then represented by one ADS) over the 10 consecutive Trading Day period ending on, and including, the Trading Day immediately preceding the Ex-Dividend Date for such distribution; and

FMV = the fair market value (as determined by the Board of Directors) of the Distributed Property with respect to each outstanding Ordinary Share (directly or in the form of ADSs) on the Ex-Dividend Date for the ADSs for such distribution.

Any increase made under the foregoing portion of this Section 14.04(c) above shall become effective immediately after the open of business on the Ex-Dividend Date for the ADSs for such distribution. If such distribution is not so paid or made in full, the Conversion Rate shall be decreased to the Conversion Rate that would then be in effect had the adjustment been made on the basis of only the distribution, if any, actually paid or made. Notwithstanding the foregoing, if "FMV" (as defined above) is equal to or greater than "SP₀" (as defined above), in lieu of the foregoing increase, each Holder of a Note shall receive, in respect of each US\$1,000 principal amount thereof, at the same time and upon the same terms as holders of the ADSs receive the Distributed Property, the amount and kind of Distributed Property such Holder would have received if such Holder owned a number of ADSs equal to the Conversion Rate in effect on the Record Date for the ADSs for the distribution.

With respect to an adjustment pursuant to this Section 14.04(c) where there has been a payment of a dividend or other distribution on the Ordinary Shares (directly or in the form of ADSs) of shares of Capital Stock of any class or series, or similar equity interest, of or relating to a Subsidiary or other business unit of the Company (other than solely pursuant to (x) distribution of Reference Property in exchange for or upon conversion of Ordinary Shares in a transaction set forth in Section 14.07 or (y) a tender offer or an exchange offer for the Ordinary Shares as to which the provisions set forth in Section 14.04(e) shall apply), that are, or, when issued, will be, listed or admitted for trading on a U.S. national securities exchange (a “**Spin-Off**”), the Conversion Rate shall be increased based on the following formula:

$$CR_1 = CR_0 \times \frac{FMV_0 + MP_0}{MP_0}$$

where,

CR₀ = the Conversion Rate in effect immediately prior to the end of the Valuation Period;

CR₁ = the Conversion Rate in effect immediately after the end of the Valuation Period;

FMV₀ = the average of the Last Reported Sale Prices of the Capital Stock or similar equity interest distributed to holders of the Ordinary Shares (directly or in the form of ADSs) applicable to one Ordinary Share (determined by reference to the definition of Last Reported Sale Price as set forth in Section 1.01 as if references therein to the ADSs were to such Capital Stock or similar equity interest) over the first 10 consecutive Trading Day period after, and including, the Ex-Dividend Date of the Spin-Off (the “**Valuation Period**”); and

MP₀ = the average of the Last Reported Sale Prices of the ADSs (*divided by* the number of Ordinary Shares then represented by one ADS) over the Valuation Period.

The adjustment to the Conversion Rate under the preceding paragraph shall occur immediately after the close of business on the last Trading Day of the Valuation Period; *provided* that (x) in respect of any conversion of Notes for which Physical Settlement is applicable, if the relevant Conversion Date occurs during the Valuation Period, references in this Section 14.04(c) with respect to 10 Trading Days shall be deemed to be replaced with such lesser number of Trading Days as have elapsed from, and including, the Ex-Dividend Date of such Spin-Off to, and including, such Conversion Date in determining the Conversion Rate and (y) in respect of any conversion of Notes for which Cash Settlement or Combination Settlement is applicable, for any Trading Day that falls within the relevant Observation Period for such conversion and within the Valuation Period, the reference to “10” in the preceding paragraph shall be deemed replaced with such lesser number of Trading Days as have elapsed between (and including, in each case) the Ex-Dividend Date for such Spin-Off and such Trading Day in determining the Conversion Rate as of such Trading Day.

If any distribution in a Spin-Off is declared but not paid or made, the Conversion Rate shall be decreased to be the Conversion Rate that would then be in effect had the adjustment been made on the basis of only such amount of such distribution, if any, actually paid or made.

For purposes of this Section 14.04(c) (and subject in all respect to Section 14.11), rights, options or warrants distributed by the Company to all holders of the Ordinary Shares (directly or in the form of ADSs) entitling them to subscribe for or purchase shares of the Company's Capital Stock, including Ordinary Shares (either initially or under certain circumstances), which rights, options or warrants, until the occurrence of a specified event or events ("**Trigger Event**"): (i) are deemed to be transferred with such Ordinary Shares (directly or in the form of ADSs); (ii) are not exercisable; and (iii) are also issued in respect of future issuances of the Ordinary Shares (directly or in the form of ADSs), shall be deemed not to have been distributed for purposes of this Section 14.04(c) (and no adjustment to the Conversion Rate under this Section 14.04(c) will be required) until the occurrence of the earliest Trigger Event, whereupon such rights, options or warrants shall be deemed to have been distributed and an appropriate adjustment (if any is required) to the Conversion Rate shall be made under this Section 14.04(c). If any such right, option or warrant, including any such existing rights, options or warrants distributed prior to the date of this Indenture, are subject to events, upon the occurrence of which such rights, options or warrants become exercisable to purchase different securities, evidences of indebtedness or other assets, then the date of the occurrence of any and each such event shall be deemed to be the date of distribution and Ex-Dividend Date with respect to new rights, options or warrants with such rights (in which case the existing rights, options or warrants shall be deemed to terminate and expire on such date without exercise by any of the holders thereof). In addition, in the event of any distribution (or deemed distribution) of rights, options or warrants, or any Trigger Event or other event (of the type described in the immediately preceding sentence) with respect thereto that was counted for purposes of calculating a distribution amount for which an adjustment to the Conversion Rate under this Section 14.04(c) was made, (1) in the case of any such rights, options or warrants that shall all have been redeemed or purchased without exercise by any holders thereof, upon such final redemption or purchase (x) the Conversion Rate shall be readjusted as if such rights, options or warrants had not been issued and (y) the Conversion Rate shall then again be readjusted to give effect to such distribution, deemed distribution or Trigger Event, as the case may be, as though it were a cash distribution, equal to the per Ordinary Share redemption or purchase price received by a holder or holders of Ordinary Shares (directly or in the form of ADSs) with respect to such rights, options or warrants (assuming such holder had retained such rights, options or warrants), made to all holders of Ordinary Shares (directly or in the form of ADSs) as of the date of such redemption or purchase, and (2) in the case of such rights, options or warrants that shall have expired or been terminated without exercise by any holders thereof, the Conversion Rate shall be readjusted as if such rights, options and warrants had not been issued.

For purposes of Section 14.04(a), Section 14.04(b) and this Section 14.04(c), if any dividend or distribution to which this Section 14.04(c) is applicable also includes one or both of:

(A) a dividend or distribution of Ordinary Shares (directly or in the form of ADSs) to which Section 14.04(a) is applicable (the "**Clause A Distribution**"); or

(B) a dividend or distribution of rights, options or warrants to which Section 14.04(b) is applicable (the “**Clause B Distribution**”),

then (1) such dividend or distribution, other than the Clause A Distribution and the Clause B Distribution, shall be deemed to be a dividend or distribution to which this Section 14.04(c) is applicable (the “**Clause C Distribution**”) and any Conversion Rate adjustment required by this Section 14.04(c) with respect to such Clause C Distribution shall then be made, and (2) the Clause A Distribution and Clause B Distribution shall be deemed to immediately follow the Clause C Distribution and any Conversion Rate adjustment required by Section 14.04(a) and Section 14.04(b) with respect thereto shall then be made, except that, if determined by the Company (I) the “Ex-Dividend Date” of the Clause A Distribution and the Clause B Distribution shall be deemed to be the Ex-Dividend Date of the Clause C Distribution and (II) any Ordinary Shares (directly or in the form of ADSs) included in the Clause A Distribution or Clause B Distribution shall be deemed not to be “outstanding immediately prior to the open of business on such Ex-Dividend Date or Effective Date” within the meaning of Section 14.04(a) or “outstanding immediately prior to the open of business on such Ex-Dividend Date” within the meaning of Section 14.04(b).

(d) If any cash dividend or distribution is made to all or substantially all holders of the Ordinary Shares (directly or in the form of ADSs), the Conversion Rate shall be adjusted based on the following formula:

$$CR_1 = CR_0 \times \frac{SP_0}{SP_0 - C}$$

where,

- CR₀ = the Conversion Rate in effect immediately prior to the open of business on the Ex-Dividend Date for the ADSs for such dividend or distribution;
- CR₁ = the Conversion Rate in effect immediately after the open of business on the Ex-Dividend Date for such dividend or distribution;
- SP₀ = the Last Reported Sale Price of the ADSs (divided by the number of Ordinary Shares then represented by one ADS) on the Trading Day immediately preceding the Ex-Dividend Date for such dividend or distribution; and
- C = the amount in cash per Ordinary Share the Company distributes to all or substantially all holders of the Ordinary Shares (directly or in the form of ADSs) (for the avoidance of doubt, without giving effect to any applicable fees and expenses payable to, or withheld by, the ADS Depositary with respect to such distribution).

Any increase pursuant to this Section 14.04(d) shall become effective immediately after the open of business on the Ex-Dividend Date for the ADSs for such dividend or distribution. If such dividend or distribution is not so paid, the Conversion Rate shall be decreased, effective as of the date the Board of Directors determines not to make or pay such dividend or distribution, to be the Conversion Rate that would then be in effect if such dividend or distribution had not been declared. Notwithstanding the foregoing, if “C” (as defined above) is equal to or greater than “SP₀” (as defined above), in lieu of the foregoing increase, each Holder of a Note shall receive, for each US\$1,000 principal amount of Notes, at the same time and upon the same terms as holders of the ADSs, the amount of cash that such Holder would have received if such Holder owned a number of ADSs equal to the Conversion Rate on the Record Date for the ADSs for such cash dividend or distribution.

(e) If the Company or any of its Subsidiaries or Consolidated Variable Interest Entities makes a payment in respect of a tender or exchange offer for the Ordinary Shares (directly or in the form of ADSs), to the extent that the Tender/Exchange Offer Consideration (as defined below) included in the payment per Ordinary Share exceeds the average of the Last Reported Sale Prices of the ADSs (*divided by* the number of Ordinary Shares then represented by one ADS) over the 10 consecutive Trading Day period commencing on, and including, the Trading Day next succeeding the date such tender or exchange offer expires, the Conversion Rate shall be increased based on the following formula:

$$CR_1 = CR_0 \times \frac{AC + (SP_1 \times OS_1)}{OS_0 \times SP_1}$$

where,

- CR₀ = the Conversion Rate in effect immediately prior to the close of business on the 10th Trading Day immediately following, and including, the Trading Day next succeeding the date such tender or exchange offer expires;
- CR₁ = the Conversion Rate in effect immediately after the close of business on the 10th Trading Day immediately following, and including, the Trading Day next succeeding the date such tender or exchange offer expires;
- AC = the aggregate value of all cash and any other consideration (as determined by the Board of Directors thereof in good faith and as of the time such tender or exchange offer expires (the “**Tender/Exchange Offer Consideration**”)) paid or payable for Ordinary Shares or ADSs, as the case may be, purchased in such tender or exchange offer;
- OS₀ = the number of Ordinary Shares outstanding immediately prior to the date such tender or exchange offer expires (prior to giving effect to the purchase of all Ordinary Shares or ADSs, as the case may be, accepted for purchase or exchange in such tender or exchange offer);
- OS₁ = the number of Ordinary Shares outstanding immediately after the date such tender or exchange offer expires (after giving effect to the purchase of all Ordinary Shares or ADSs, as the case may be, accepted for purchase or exchange in such tender or exchange offer); and
- SP₁ = the average of the Last Reported Sale Prices of the ADSs (*divided by* the number of Ordinary Shares then represented by one ADS) over the 10 consecutive Trading Day period commencing on, and including, the Trading Day next succeeding the date such tender or exchange offer expires.

The adjustment to the Conversion Rate under this Section 14.04(e) shall occur at the close of business on the 10th Trading Day immediately following, and including, the Trading Day next succeeding the date such tender or exchange offer expires; *provided* that (x) in respect of any conversion of Notes for which Physical Settlement is applicable, if the relevant Conversion Date occurs during the 10 Trading Days immediately following, and including, the Trading Day next succeeding the expiration date of any tender or exchange offer, references with respect to “10” or “10th” in the preceding paragraph shall be deemed replaced with such lesser number of Trading Days as have elapsed from, and including, the expiration date of such tender or exchange offer to, and including such Conversion Date in determining the Conversion Rate and (y) in respect of any conversion of Notes for which Cash Settlement or Combination Settlement is applicable, for any Trading Day that falls within the relevant Observation Period for such conversion and within the 10 Trading Days immediately following, and including the Trading Day next succeeding the expiration date of such tender or exchange offer, references with respect to 10 Trading Days in this Section 14.04(e) shall be deemed replaced with such lesser number of Trading Days as have elapsed from, and including, the expiration date of such tender or exchange offer to, and including, such Trading Day in determining the Conversion Rate as of such Trading Day. For the avoidance of doubt, no adjustment under this Section 14.04(e) will be made if such adjustment would result in a decrease in the Conversion Rate (other than, for the avoidance of doubt, any readjustment described in Section 14.04(f)).

To the extent such tender or exchange offer is announced but not consummated (including as a result of being precluded from consummating such tender or exchange offer under applicable law), or any purchases or exchanges of the Ordinary Shares (directly or in the form of ADSs) in such tender or exchange offer are rescinded, the Conversion Rate will be readjusted to the Conversion Rate that would then be in effect had the adjustment been made on the basis of only the purchases or exchanges of the Ordinary Shares (directly or in the form of ADSs), if any, actually made, and not rescinded, in such tender or exchange offer.

(f) Notwithstanding this Section 14.04 or any other provision of this Indenture or the Notes, if any Conversion Rate adjustment becomes effective on any Ex-Dividend Date, and a Holder that has converted its Notes on or after such Ex-Dividend Date and on or prior to the related Record Date would receive ADSs and become the record holder of such ADSs prior to such Record Date as described under Section 14.02(i) based on an adjusted Conversion Rate for such Ex-Dividend Date, then, notwithstanding the Conversion Rate adjustment provisions in this Section 14.04, the Conversion Rate adjustment relating to such Ex-Dividend Date shall not be made for such converting Holder. Instead, such Holder shall be treated as if such Holder were the record owner of the ADSs on an unadjusted basis and participate in the related dividend, distribution or other event giving rise to such adjustment.

(g) Except as stated herein, the Company shall not adjust the Conversion Rate for the issuance of Ordinary Shares or ADSs or any securities convertible into or exchangeable for Ordinary Shares or ADSs or the right to purchase Ordinary Shares or ADSs or such convertible or exchangeable securities.

(h) [*Reserved*]

(i) In addition to those adjustments required by clauses (a), (b), (c), (d) and (e) of this Section 14.04, and to the extent permitted by applicable law and subject to the applicable rules of The New York Stock Exchange and any other securities exchange on which any of the Company's securities are then listed, the Company from time to time may increase the Conversion Rate by any amount for a period of at least 20 Business Days if the Board of Directors determines that such increase would be in the Company's best interest, and the Company may (but is not required to) increase the Conversion Rate to avoid or diminish any income tax to holders of the Ordinary Shares or the ADSs or rights to purchase Ordinary Shares or ADSs in connection with a dividend or distribution of Ordinary Shares or ADSs (or rights to acquire Ordinary Shares or ADSs) or similar event.

(j) Notwithstanding anything to the contrary in this Article 14, the Conversion Rate shall not be adjusted:

(i) upon the issuance of any Ordinary Shares or ADSs pursuant to any present or future plan providing for the reinvestment of dividends or interest payable on the Company's securities and the investment of additional optional amounts in Ordinary Shares or ADSs under any plan;

(ii) upon the issuance of any Ordinary Shares or ADSs or options or rights to purchase those Ordinary Shares or ADSs pursuant to any present or future employee, director or consultant benefit plan or program of or assumed by the Company or any of the Company's Subsidiaries, Consolidated Variable Interest Entities or their Subsidiaries;

(iii) upon the repurchase of any Ordinary Shares pursuant to an open-market share purchase program or other buy-back transaction, including derivative transactions or any other buy-back transaction that is not a tender offer or exchange offer of the kind described in clause (e) of this Section 14.04 above;

(iv) upon the issuance of any Ordinary Shares or ADSs pursuant to any option, warrant, right or exercisable, exchangeable or convertible security not described in clause (ii) of this subsection and outstanding as of the date the Notes were first issued;

(v) solely for a change in the par value of the Ordinary Shares; or

(vi) for accrued and unpaid interest, if any.

(k) All calculations and other determinations under this Article 14 shall be made by the Company and shall be made to the nearest one-ten thousandth (1/10,000) of an ADS.

(l) Whenever the Conversion Rate is adjusted as herein provided, the Company shall promptly deliver to the Trustee (and the Conversion Agent if not the Trustee) an Officers' Certificate setting forth (i) the adjusted Conversion Rate, (ii) the subsection of this Section 14.04 pursuant to which after such adjustment has been made, showing in reasonable detail the facts upon which such adjustment is based, and (iii) the date as of which such adjustment is effective, and such Officers' Certificate shall be conclusive evidence of the accuracy of such adjustment absent manifest error. Unless and until a Responsible Officer of the Trustee shall have received such Officers' Certificate, the Trustee shall not be deemed to have knowledge of any adjustment of the Conversion Rate and may assume without inquiry that the last Conversion Rate of which it has knowledge is still in effect. Promptly after delivery of such certificate, the Company shall prepare a notice of such adjustment of the Conversion Rate setting forth the adjusted Conversion Rate and the date on which each adjustment becomes effective and shall deliver such notice of such adjustment of the Conversion Rate to each Holder at its last address appearing on the Note Register of this Indenture. Failure to deliver such notice shall not affect the legality or validity of any such adjustment. Neither the Trustee nor any Conversion Agent shall be under any duty or responsibility with respect to any such certificate or the information and calculations contained therein.

(m) For purposes of this Section 14.04, the number of Ordinary Shares at any time outstanding shall not include Ordinary Shares held in the treasury of the Company (directly or in the form of ADSs) so long as the Company does not pay any dividend or make any distribution on Ordinary Shares held in the treasury of the Company (directly or in the form of ADSs), but shall include Ordinary Shares issuable in respect of scrip certificates issued in lieu of fractions of Ordinary Shares.

(n) For purposes of this Section 14.04, the "effective date" means the first date on which the ADSs trade on the applicable exchange or in the applicable market, regular way, reflecting the relevant share split or share combination, as applicable.

Section 14.05 *Adjustments of Prices*. Whenever any provision of this Indenture requires the Company to calculate the Last Reported Sale Prices, the Daily VWAPs, the Daily Conversion Values, the Daily Settlement Amounts, the ADS Price for purposes of a Make-Whole Fundamental Change or the Redemption Reference Price for purposes of the Company's election to redeem the Notes in connection with a Tax Redemption or Cleanup Redemption, as the case may be, over a span of multiple days, the Board of Directors shall make appropriate adjustments to each to account for any adjustment to the Conversion Rate that becomes effective pursuant to Section 14.04, or any event requiring an adjustment to the Conversion Rate pursuant to Section 14.04 where the Record Date for the ADSs, Ex-Dividend Date, Effective Date or expiration date, as the case may be, of the event occurs, at any time during the period when such Last Reported Sale Prices, ADS Prices, the Daily VWAPs, the Daily Conversion Values or the Daily Settlement Amounts are to be calculated.

Section 14.06 *Ordinary Shares to Be Fully Paid*. The Company shall provide, free from preemptive rights, out of its authorized but unissued Ordinary Shares or Ordinary Shares held in treasury, a sufficient number of Ordinary Shares that corresponds to the number of ADSs due upon conversion of the Notes from time to time as such Notes are presented for conversion (assuming that at the time of computation of such number of Ordinary Shares, all such Notes would be converted by a single Holder and that Physical Settlement were applicable).

Section 14.07 *Effect of Recapitalizations, Reclassifications and Changes of the Ordinary Shares.* (a) In the case of:

- (i) any recapitalization, reclassification or change of the ADSs or Ordinary Shares (other than changes resulting from a subdivision or combination and changes in par value or from par value to no par value (or vice versa)),
- (ii) any consolidation, merger, combination or similar transaction involving the Company,
- (iii) any sale, lease or other transfer to a third party of the consolidated assets of the Company and the Company's Subsidiaries, Consolidated Variable Interest Entities and their Subsidiaries substantially as an entirety; or
- (iv) any statutory share exchange,

in each case, as a result of which the ADSs or the Ordinary Shares would be converted into, or exchanged for, stock, other securities, other property or assets (including cash or any combination thereof) (any such event, a "**Merger Event**"), then, prior to or at the effective time of such Merger Event, the Company or the successor or purchasing Person, as the case may be, shall execute with the Trustee a supplemental indenture permitted under Section 10.01(f) providing that, at and after the effective time of such Merger Event, the right to convert each US\$1,000 principal amount of Notes shall be changed into a right to convert such principal amount of Notes into the kind and amount of shares of stock, other securities or other property or assets (including cash or any combination thereof) that a holder of a number of ADSs equal to the Conversion Rate immediately prior to such Merger Event would have owned or been entitled to receive (the "**Reference Property**") upon such Merger Event; *provided, however*, that at and after the effective time of such Merger Event (A) the Company shall continue to have the right to determine the form of consideration to be paid or delivered, as the case may be, upon conversion of Notes in accordance with Section 14.02 and (B) (I) any amount payable in cash upon conversion of the Notes in accordance with Section 14.02 shall continue to be payable in cash, (II) any ADSs that the Company would have been required to deliver upon conversion of the Notes in accordance with Section 14.02 shall instead be deliverable in the amount and type of Reference Property that a holder of that number of ADSs would have been entitled to receive in such Merger Event (such amount and type of Reference Property per one ADS, without giving effect to any arrangement not to issue or deliver a fractional portion of any Reference Property, a "**Reference Property Unit**") and (III) the Daily VWAP shall be calculated based on the value of a Reference Property Unit that a holder of one ADS would have received in such transaction.

If the Merger Event causes the ADSs to be converted into, or exchanged for, the right to receive more than a single type of consideration (determined based in part upon any form of holder election), then (i) the Reference Property into which the Notes will be convertible shall be deemed to be the weighted average of the types and amounts of consideration actually received by the holders of the ADSs and (ii) the Reference Property Unit for purposes of the immediately preceding paragraph shall refer to the consideration referred to in clause (i) attributable to one ADS. The Company shall provide written notice to Holders, the Trustee and the Conversion Agent (if other than the Trustee) of such weighted average as soon as practicable after such determination is made. For purposes of provisions under Article 16, each reference to any number of Ordinary Shares in such provisions (or any related definitions) shall instead be deemed to be a reference to the same number of Reference Property Units. For purposes of the "Record Date" definition, the term "Ordinary Shares" shall be deemed to refer to any class of securities forming part of the Reference Property. The "Last Reported Sale Price" of any Reference Property Unit or a portion thereof, as applicable, should be determined by the Company in good faith (or, in the case of cash denominated in U.S. dollars, the face amount thereof). If the holders of Ordinary Shares receive only cash in such transaction, then for all conversions with a Conversion Date that occurs on or after the effective date of such transaction the consideration due upon conversion of each US\$1,000 principal amount of Notes shall be solely cash in an amount equal to the Conversion Rate in effect on the Conversion Date (as may be increased as described under Section 14.03(g)), multiplied by the price paid per Ordinary Share in such transaction. The Company will provide written notification of such transaction to Holders, the Trustee and the Conversion Agent (if other than the Trustee) no later than the second Business Day after the effective date of such transaction (unless such transaction constitutes a Make-Whole Fundamental Change, in which case the notice period as set forth under Section 14.03(a) shall apply instead to such transaction).

Such supplemental indenture described in the second immediately preceding paragraph shall (i) provide for anti-dilution and other adjustments that shall be as nearly equivalent as is practicable to the adjustments provided for in this Article 14 (it being understood that no such adjustments shall be required with respect to any portion of the Reference Property that does not consist of shares of Common Equity (however evidenced) or depository receipts in respect thereof) and (ii) contain such other provisions that the Board of Directors determines in good faith are appropriate to preserve the economic interests of the Holders and to give effect to the provisions described in this Section 14.07. If, in the case of any Merger Event, the Reference Property includes shares of stock, securities or other property or assets (including cash or any combination thereof) of a Person other than the Company or the successor or purchasing Person, as the case may be, in such Merger Event, then such other Person shall also execute such supplemental indenture, and such supplemental indenture shall contain such additional provisions to protect the interests of the Holders of the Notes, including the right of Holders to require the Company to repurchase their Notes upon a Fundamental Change pursuant to Section 15.02 and the right of Holders to require the Company to repurchase their Notes on the Repurchase Date pursuant to Section 15.01, as the Board of Directors shall consider in good faith necessary by reason of the foregoing. The Company shall notify Holders, the Trustee and the Conversion Agent (if other than the Trustee) in writing as promptly as reasonably practicable following the date the Company executes such supplemental indenture and will substantially concurrently with such notice either post such supplemental indenture on the Company's website or disclose the same in a current report on Form 6-K (or any successor form) that is filed with the Commission.

(b) [Reserved]

(c) The Company shall not become a party to any Merger Event unless its terms are consistent with this Section 14.07. None of the foregoing provisions shall affect the right of a holder of Notes to convert its Notes into cash, ADSs or a combination of cash and ADSs, as applicable, as set forth in Section 14.01 and Section 14.02 prior to the effective date of such Merger Event.

(d) The above provisions of this Section shall similarly apply to successive Merger Events.

Section 14.08 *Certain Covenants*. (a) The Company covenants that all ADSs delivered upon conversion of Notes, and all Ordinary Shares represented by such ADSs, will be fully paid and non-assessable by the Company and free from all taxes, liens and charges with respect to the issue thereof.

(b) The Company covenants that, if any ADSs to be provided for the purpose of conversion of Notes hereunder, or any Ordinary Shares represented by such ADSs, require registration with or approval of any governmental authority under any federal or state law before such ADSs may be validly issued upon conversion, the Company will, to the extent then permitted by the rules and interpretations of the Commission, secure such registration or approval, as the case may be.

(c) The Company further covenants that if at any time the ADSs shall be listed on any national securities exchange or automated quotation system the Company will list and keep listed, so long as the ADSs shall be so listed on such exchange or automated quotation system, any ADSs deliverable upon conversion of the Notes.

(d) The Company further covenants to take all actions and obtain all approvals and registrations required with respect to the conversion of the Notes into ADSs and the issuance, and deposit into the ADS facility, of the Ordinary Shares represented by such ADSs. The Company also undertakes to maintain, as long as any Notes are outstanding, the effectiveness of a registration statement on Form F-6 relating to the ADSs and an adequate number of ADSs available for issuance thereunder such that ADSs can be delivered upon conversion of the Notes, if any, in accordance with the terms of this Indenture, the Notes and the Deposit Agreement, the Omnibus Restricted ADS Letter Agreement, the Note Conversion Letter Agreement, the Affiliate Restricted ADS Series Supplement and/or the Non-affiliate Restricted ADS Series Supplement, as applicable, upon conversion of the Notes. In addition, the Company further covenants to provide Holders with a reasonably detailed description of the mechanics for the delivery of ADSs upon conversion of Notes as set forth in the Deposit Agreement, the Omnibus Restricted ADS Letter Agreement, the Note Conversion Letter Agreement, the Affiliate Restricted ADS Series Supplement and/or the Non-affiliate Restricted ADS Series Supplement upon request.

Section 14.09 *Responsibility of Trustee*. Neither the Trustee nor the Conversion Agent shall at any time be under any duty or responsibility to any Holder to determine the Conversion Rate (or any adjustment thereto) or whether any facts exist that may require any adjustment (including any increase) of the Conversion Rate, or with respect to the nature or extent or calculation of any such adjustment when made, or with respect to the method employed, or in the Indenture or in any supplemental indenture provided to be employed, in making the same. The Trustee and the Conversion Agent shall not be accountable with respect to the validity or value (or the kind or amount) of any shares of the ADSs, or of any securities, property or cash that may at any time be issued or delivered upon the conversion of any Note or for the distribution of any cash payable in lieu of any Fractional ADS; and the Trustee and the Conversion Agent make no representations with respect thereto. Neither the Trustee nor the Conversion Agent shall be responsible for any failure of the Company to issue, transfer or deliver any ADSs or cash upon the surrender of any Note for the purpose of conversion or to comply with any of the duties, responsibilities or covenants of the Company in connection therewith. Without limiting the generality of the foregoing, neither the Trustee nor the Conversion Agent shall be under any responsibility to (a) determine whether a supplemental indenture needs to be entered into or (b) determine the correctness of any provisions contained in any supplemental indenture entered into. The Trustee and the Conversion Agent shall be protected in conclusively relying upon the Officers' Certificate (which the Company shall be obligated to deliver to the Trustee and the Conversion Agent prior to the execution of any such supplemental indenture) with respect thereto. Neither the Trustee nor the Conversion Agent shall be responsible for determining whether any requirements or conditions (to the extent applicable) contemplated by Article 14, if any, have occurred that makes the Notes eligible for conversion or no longer eligible therefor until the Company has delivered to the Trustee and the Conversion Agent the notices referred to in Article 14 with respect to the commencement or termination of such conversion rights, if any, on which notices the Trustee and the Conversion Agent may conclusively rely, and the Company agrees to deliver such notices to the Trustee and the Conversion Agent immediately after the occurrence of any such event or at such other times as shall be provided for in Article 14. The parties hereto agree that all notices to the Trustee or the Conversion Agent under this Article 14 shall be in writing.

Section 14.10 *Notice to Holders Prior to Certain Actions*. In case of any:

- (a) action by the Company or one of its Subsidiaries that would require an adjustment in the Conversion Rate pursuant to Section 14.04 or Section 14.11;
- (b) Merger Event; or
- (c) voluntary or involuntary dissolution, liquidation or winding-up of the Company or any of its Subsidiaries;

then, in each case (unless notice of such event is otherwise required pursuant to another provision of this Indenture), the Company shall cause to be filed with the Trustee and the Conversion Agent (if other than the Trustee) and to be delivered to each Holder, as promptly as possible but in any event at least 20 days prior to the applicable date hereinafter specified, a notice stating (i) the date on which a record is to be taken for the purpose of such action by the Company or one of its Subsidiaries or, if a record is not to be taken, the date as of which the holders of Ordinary Shares or ADSs, as the case may be, of record are to be determined for the purposes of such action by the Company or one of its Subsidiaries, or (ii) the date on which such Merger Event, dissolution, liquidation or winding-up is expected to become effective or occur, and the date as of which it is expected that holders of Ordinary Shares or ADSs, as the case may be, of record shall be entitled to exchange their Ordinary Shares or ADSs, as the case may be, for securities or other property deliverable upon such Merger Event, dissolution, liquidation or winding-up. Failure to give such notice, or any defect therein, shall not affect the legality or validity of such action by the Company or one of its Subsidiaries, Merger Event, dissolution, liquidation or winding-up.

Section 14.11 *Stockholder Rights Plans*. If, at the time of any conversion, the Company has a rights plan in effect upon conversion of the Notes, each ADS delivered upon such conversion, if any, shall be entitled to receive (in respect of the Ordinary Shares underlying such ADSs) the appropriate number of rights, if any, and the certificates representing the ADSs delivered upon such conversion shall bear such legends, if any, in each case as may be provided by the terms of any such stockholder rights plan, as the same may be amended from time to time. However, if, prior to any conversion, the rights have separated from the Ordinary Shares underlying the ADSs in accordance with the provisions of the applicable stockholder rights plan, the Conversion Rate shall be adjusted at the time of separation as if the Company distributed to all or substantially all holders of the Ordinary Shares Distributed Property as provided in Section 14.04(c), subject to readjustment in the event of the expiration, termination or redemption of such rights.

Section 14.12 *Termination of Depositary Receipt Program*. Except as provided in Section 10.03, if the Ordinary Shares cease to be represented by ADSs issued under the Deposit Agreement, all references in this Indenture to the ADSs shall be deemed to have been replaced by a reference to the number of Ordinary Shares (and other property, if any) represented by the ADSs on the last day on which the ADSs represented the Ordinary Shares and as if the Ordinary Shares and the other property had been distributed to holders of the ADSs on that day. In addition, all references to the Last Reported Sale Price of the ADSs will be deemed to refer to the Last Reported Sale Price of the Ordinary Shares, and other appropriate adjustments, including adjustments to the Conversion Rate, will be made to reflect such change. In making such adjustments, where currency translations between U.S. dollars and any other currency are required, the exchange rate in effect on the date of determination will apply.

Section 14.13 *Exchange In Lieu Of Conversion*. (a) When a Holder surrenders its Notes for conversion, the Company may, at its election (an "Exchange Election"), direct the Conversion Agent in writing to deliver, on or prior to the Business Day immediately following the Conversion Date, such Notes to one or more financial institutions designated by the Company (each, a "Designated Financial Institution") for exchange in lieu of conversion. In order to accept any Notes surrendered for conversion, the Designated Financial Institution(s) must agree to timely pay, deliver or cause to deliver, as the case may be, in exchange for such Notes, the cash, ADSs or a combination thereof, as applicable, that would otherwise be due upon conversion pursuant to Section 14.02 (the "Conversion Consideration"). If the Company makes an Exchange Election, the Company shall, by the close of business on the Business Day following the relevant Conversion Date, notify in writing the Trustee, the Conversion Agent (if other than the Trustee) and the Holder surrendering Notes for conversion that the Company has made the Exchange Election and the Company shall promptly notify the Designated Financial Institution(s) of the relevant deadline for delivery of the Conversion Consideration and the type of Conversion Consideration to be paid and/or delivered, as the case may be.

(b) Any Notes exchanged by the Designated Financial Institution(s) shall remain outstanding, subject to applicable procedures of the Depository. If the Designated Financial Institution(s) agree(s) to accept any Notes for exchange but does not timely pay, deliver and/or cause to deliver, as the case may be, the related Conversion Consideration, or if such Designated Financial Institution(s) does not accept the Notes for exchange, the Company shall pay and/or deliver, as the case may be, the relevant Conversion Consideration, as, and at the time, required pursuant to this Indenture as if the Company had not made the Exchange Election.

(c) The Company's designation of any Designated Financial Institution(s) to which the Notes may be submitted for exchange does not require such Designated Financial Institution(s) to accept any Notes.

ARTICLE 15
REPURCHASE OF NOTES AT OPTION OF HOLDERS

Section 15.01 *Repurchase at Option of Holders*. (a) Each Holder shall have the right, at such Holder's option, to require the Company to repurchase for cash on July 3, 2028 (the "Repurchase Date"), all of such Holder's Notes, or any portion thereof that is an integral multiple of US\$1,000 principal amount, at a repurchase price (the "Repurchase Price") that is equal to 100% of the principal amount of the Notes to be repurchased, plus accrued and unpaid interest, if any, to, but excluding, the Repurchase Date (unless the Repurchase Date falls after a Regular Record Date but on or prior to the immediately succeeding Interest Payment Date, in which case the Company shall pay on the Interest Payment Date the full amount of accrued and unpaid interest, if any, to the Holder of record as of the close of business on such Regular Record Date, and the Repurchase Price will be equal to 100% of the principal amount of the Notes to be repurchased). Not later than 20 Business Days prior to the Repurchase Date, the Company shall deliver a notice (the "Company Notice") by electronic mail and first class mail to the Trustee, to the Paying Agent, the Conversion Agent (if other than the Trustee) and by first class mail to each Holder at its address shown in the Note Register of the Note Registrar (and to beneficial owners as required by applicable law and to the Conversion Agent if other than the Trustee). The Company Notice shall include a Form of Repurchase Notice to be completed by a holder and shall state:

(i) the last date on which a Holder may exercise its repurchase right pursuant to this Section 15.01 (the "**Repurchase Expiration Time**");

(ii) the Repurchase Price;

(iii) the Repurchase Date;

(iv) the name and address of the Conversion Agent and Paying Agent;

(v) that the Notes with respect to which a Repurchase Notice has been delivered by a Holder may be converted only if the Holder withdraws the Repurchase Notice in accordance with the terms of this Indenture;

(vi) that the Holder shall have the right to withdraw any Notes surrendered prior to the Repurchase Expiration Time; and

(vii) the procedures a Holder must follow to exercise its repurchase rights under this Section 15.01 and a brief description of those rights.

At the Company's written request, the Trustee shall give such notice in the Company's name and at the Company's expense; *provided, however*, that, in all cases, the text of such Company Notice shall be prepared by the Company.

Simultaneously with providing the Company Notice, the Company shall publish a notice containing the information included in the Company Notice in a newspaper of general circulation in The City of New York or publish such information on the Company's website or through such other public medium as the Company may use at that time.

No failure of the Company to give the foregoing notices and no defect therein shall limit the Holders' repurchase rights or affect the validity of the proceedings for the repurchase of the Notes pursuant to this Section 15.01.

Repurchases of Notes under this Section 15.01 shall be made, at the option of the Holder thereof, upon:

(A) delivery to the Paying Agent (or other Agent appointed for such purpose) by the Holder of a duly completed notice (the "**Repurchase Notice**") in the form set forth in Attachment 3 to the Form of Note attached hereto as Exhibit A, if the Notes are Physical Notes, or in compliance with the Depository's procedures for surrendering interests in global notes, if the Notes are Global Notes, in each case during the period beginning at any time from the open of business on the date that is 20 Business Days prior to the Repurchase Date until the close of business on the second Scheduled Trading Day immediately preceding the Repurchase Date; and

(B) delivery of the Notes, if the Notes are Physical Notes, to the Paying Agent at any time after delivery of the Repurchase Notice (together with all necessary endorsements) at the Paying Agent Office or other agent appointed for this purpose, or book-entry transfer of the Notes, if the Notes are Global Notes, in compliance with the procedures of the Depository, in each case such delivery being a condition to receipt by the Holder of the Repurchase Price therefor.

Each Repurchase Notice shall state:

(A) in the case of Physical Notes, the certificate numbers of the Notes to be delivered for repurchase;

(B) the portion of the principal amount of the Notes to be repurchased, which must be US\$1,000 or an integral multiple thereof; and

(C) that the Notes are to be repurchased by the Company pursuant to the applicable provisions of the Notes and this Indenture;

provided, however, that if the Notes are Global Notes, the Repurchase Notice must comply with appropriate Depository procedures.

Notwithstanding anything herein to the contrary, any Holder delivering to the Paying Agent the Repurchase Notice contemplated by this Section 15.01 shall have the right to withdraw, in whole or in part, such Repurchase Notice at any time prior to the close of business on the second Scheduled Trading Day immediately preceding the Repurchase Date by delivery of a duly completed written notice of withdrawal to the Paying Agent (or other agent appointed for such purpose) in accordance with Section 15.03.

The Paying Agent shall promptly notify the Company of the receipt by it of any Repurchase Notice or written notice of withdrawal thereof.

No Repurchase Notice with respect to any Notes may be delivered and no Note may be surrendered for repurchase pursuant to this Section 15.01 by a Holder thereof to the extent such Holder has also delivered a Fundamental Change Repurchase Notice with respect to such Note in accordance with Section 15.02 and not validly withdrawn such Fundamental Change Repurchase Notice in accordance with Section 15.03.

(b) Notwithstanding the foregoing, no Notes may be repurchased by the Company at the option of the Holders on the Repurchase Date if the principal amount of the Notes has been accelerated, and such acceleration has not been rescinded, on or prior to the Repurchase Date (except in the case of an acceleration resulting from a default by the Company in the payment of the Repurchase Price with respect to such Notes). The Paying Agent will promptly return to the respective Holders thereof any Physical Notes held by it during the acceleration of the Notes (except in the case of an acceleration resulting from a default by the Company in the payment of the Repurchase Price with respect to such Notes), or any instructions for book-entry transfer of the Notes in compliance with the procedures of the Depository shall be deemed to have been cancelled, and, upon such return or cancellation, as the case may be, the Repurchase Notice with respect thereto shall be deemed to have been withdrawn.

Section 15.02 *Repurchase at Option of Holders Upon a Fundamental Change.* (a) If a Fundamental Change occurs at any time prior to the Maturity Date, each Holder shall have the right, at such Holder's option, to require the Company to repurchase for cash all of such Holder's Notes, or any portion thereof that is equal to US\$1,000 or an integral multiple of US\$1,000, on the Business Day (the "**Fundamental Change Repurchase Date**") notified in writing by the Company as set forth in Section 15.02(c) that is not less than 20 Business Days or more than 35 Business Days following the date of the Fundamental Change Company Notice at a repurchase price equal to 100% of the principal amount thereof, *plus* accrued and unpaid interest, if any, thereon to, but excluding, the Fundamental Change Repurchase Date (the "**Fundamental Change Repurchase Price**"), unless the Fundamental Change Repurchase Date falls after a Regular Record Date but on or prior to the Interest Payment Date to which such Regular Record Date relates, in which case the Company shall instead pay on the Interest Payment Date the full amount of accrued and unpaid interest, if any, to Holders of record as of such Regular Record Date, and the Fundamental Change Repurchase Price shall be equal to 100% of the principal amount of Notes to be repurchased pursuant to this Article 15. The Trustee and the Conversion Agent, Paying Agent or any other agent appointed for such purpose shall have no responsibility to determine the Fundamental Change Repurchase Price.

(b) Repurchases of Notes under this Section 15.02 shall be made, at the option of the Holder thereof, upon:

(i) delivery to the Paying Agent by a Holder of a duly completed notice (the “**Fundamental Change Repurchase Notice**”) in the form set forth in Attachment 2 to the Form of Note attached hereto as Exhibit A, if the Notes are Physical Notes, or in compliance with the Depository’s procedures for surrendering interests in global notes, if the Notes are Global Notes, in each case on or before the close of business on the second Scheduled Trading Day immediately preceding the Fundamental Change Repurchase Date; and

(ii) delivery of the Notes, if the Notes are Physical Notes, to the Paying Agent at any time after delivery of the Fundamental Change Repurchase Notice (together with all necessary endorsements for transfer) at the Paying Agent Office, or book-entry transfer of the Notes, if the Notes are Global Notes, in compliance with the procedures of the Depository, in each case such delivery being a condition to receipt by the Holder of the Fundamental Change Repurchase Price therefor.

The Fundamental Change Repurchase Notice in respect of any Notes to be repurchased shall state:

- (i) in the case of Physical Notes, the certificate numbers of the Notes to be delivered for repurchase;
- (ii) the portion of the principal amount of Notes to be repurchased, which must be US\$1,000 or an integral multiple thereof; and
- (iii) that the Notes are to be repurchased by the Company pursuant to the applicable provisions of the Notes and this Indenture;

provided, however, that if the Notes are Global Notes, the Fundamental Change Repurchase Notice must comply with appropriate Depository procedures.

Notwithstanding anything herein to the contrary, any Holder delivering to the Paying Agent the Fundamental Change Repurchase Notice contemplated by this Section 15.02 shall have the right to withdraw, in whole or in part, such Fundamental Change Repurchase Notice at any time prior to the close of business on the second Scheduled Trading Day immediately preceding the Fundamental Change Repurchase Date by delivery of a duly completed written notice of withdrawal to the Paying Agent in accordance with Section 15.03.

The Paying Agent shall promptly notify the Company of the receipt by it of any Fundamental Change Repurchase Notice or written notice of withdrawal thereof.

No Fundamental Change Repurchase Notice with respect to any Notes may be delivered and no Note may be surrendered by a Holder for repurchase thereof to the extent such Holder has also surrendered a Repurchase Notice with respect to such Note in accordance with Section 15.01 and not validly withdrawn such Repurchase Notice in accordance with Section 15.03.

(c) On or before the 20th calendar day after the occurrence of the effective date of a Fundamental Change, the Company shall provide to all Holders, the Trustee, the Paying Agent and the Conversion Agent (if other than the Trustee) or any other agent appointed for such purpose a written notice (the “**Fundamental Change Company Notice**”) of the occurrence of the effective date of the Fundamental Change and of the repurchase right at the option of the Holders arising as a result thereof. In the case of Physical Notes, such notice shall be by first class mail or, in the case of Global Notes, such notice shall be delivered in accordance with the applicable procedures of the Depository. Simultaneously with providing such notice, the Company shall publish a notice containing the information set forth in the Fundamental Change Company Notice in a newspaper of general circulation in The City of New York or publish such information on the Company’s website or through such other public medium as the Company may use at that time. Each Fundamental Change Company Notice shall specify:

(i) the events causing the Fundamental Change and whether such events also constitute a Make-Whole Fundamental Change;

(ii) the effective date of the Fundamental Change;

(iii) the last date on which a Holder may exercise the repurchase right pursuant to this Article 15;

(iv) the Fundamental Change Repurchase Price;

(v) the Fundamental Change Repurchase Date;

(vi) the name and address of the Trustee, the Paying Agent and the Conversion Agent (if other than the Trustee) or any other agent appointed for repurchase, if applicable;

(vii) if applicable, the Conversion Rate and any adjustments to the Conversion Rate as a result of such Fundamental Change if it is a Make-Whole Fundamental Change;

(viii) if applicable, that the Notes with respect to which a Repurchase Notice or a Fundamental Change Repurchase Notice has been delivered by a Holder may be converted only if the Holder withdraws the Repurchase Notice or the Fundamental Change Repurchase Notice in accordance with the terms of this Indenture; and

(ix) the procedures that Holders must follow to require the Company to repurchase their Notes.

No failure of the Company to give the foregoing notices and no defect therein shall limit the Holders’ repurchase rights or affect the validity of the proceedings for the repurchase of the Notes pursuant to this Section 15.02.

At the Company’s request, the Trustee shall give such notice in the Company’s name and at the Company’s expense; *provided, however*, that, in all cases, the text of such Fundamental Change Company Notice shall be prepared by the Company and delivered to the Trustee no later than 2 Business Days (or such shorter period as is acceptable to the Trustee) prior to the date the Fundamental Change Company Notice is to be sent.

(d) Notwithstanding the foregoing, no Notes may be repurchased by the Company on any date at the option of the Holders upon a Fundamental Change if the principal amount of the Notes has been accelerated, and such acceleration has not been rescinded, on or prior to such date (except in the case of an acceleration resulting from a default by the Company in the payment of the Fundamental Change Repurchase Price with respect to such Notes). The Paying Agent will promptly return to the respective Holders thereof any Physical Notes held by it during the acceleration of the Notes (except in the case of an acceleration resulting from a default by the Company in the payment of the Fundamental Change Repurchase Price with respect to such Notes), or any instructions for book-entry transfer of the Notes in compliance with the procedures of the Depositary shall be deemed to have been cancelled, and, upon such return or cancellation, as the case may be, the Fundamental Change Repurchase Notice with respect thereto shall be deemed to have been withdrawn.

Section 15.03 *Withdrawal of Repurchase Notice or Fundamental Change Repurchase Notice.* (a) A Repurchase Notice or Fundamental Change Repurchase Notice may be withdrawn (in whole or in part) by means of a duly completed written notice of withdrawal delivered to the Paying Agent (or other Agent appointed for such purpose) in accordance with this Section 15.03 at any time prior to the close of business on the second Scheduled Trading Day immediately preceding the Repurchase Date or prior to the close of business on the second Scheduled Trading Day immediately preceding the Fundamental Change Repurchase Date, as the case may be, specifying:

(i) the principal amount of the Notes with respect to which such notice of withdrawal is being submitted, which must be US\$1,000 or an integral multiple thereof,

(ii) in the case of Physical Notes, the certificate number of the Note in respect of which such notice of withdrawal is being submitted, and

(iii) the principal amount, if any, of such Note that remains subject to the original Repurchase Notice or Fundamental Change Repurchase Notice, as the case may be, which portion must be in principal amounts of US\$1,000 or an integral multiple of US\$1,000;

provided, however, that if the Notes are Global Notes, the notice must comply with applicable procedures of the Depositary.

Section 15.04 *Deposit of Repurchase Price or Fundamental Change Repurchase Price.* (a) The Company will deposit with the Trustee or the Paying Agent (or any other agent appointed for this purpose by the Company) (or if the Company is acting as its own Paying Agent, set aside, segregate and hold in trust as provided in Section 4.04) on or prior to 10:00 a.m., New York City time, on the Repurchase Date or Fundamental Change Repurchase Date, as the case may be, an amount of money sufficient to repurchase all of the Notes to be repurchased at the appropriate Repurchase Price or Fundamental Change Repurchase Price; provided, however, that to the extent any deposit is received by the Trustee (or the applicable Paying Agent) after 10:00 a.m., New York City time on any Fundamental Change Repurchase Date, such deposit will be deemed deposited on the next Business Day. Subject to receipt of funds and/or Notes by the Paying Agent (or other agent appointed for this purpose by the Company) and the Trustee, as applicable, payment for Notes surrendered for repurchase (and not withdrawn in accordance with Section 15.03) will be made on the later of (i) the Repurchase Date or Fundamental Change Repurchase Date, as the case may be, *provided* the Holder has satisfied the conditions in Section 15.01 or Section 15.02, as the case may be) and (ii) the time of book-entry transfer or the delivery of such Note to the Paying Agent (or other Agent appointed by the Company) by the Holder thereof in the manner required by Section 15.01 or Section 15.02, as applicable, by wire transfer in immediately available funds for the amount payable to the Holders of such Notes entitled thereto to the account designated by such Person; *provided, however*, that payments to the Depository shall be made by wire transfer of immediately available funds to the account of the Depository or its nominee. The Paying Agent (or other agent appointed for this purpose by the Company) shall, promptly after such payment and upon written demand by the Company, return to the Company any funds in excess of the Repurchase Price or Fundamental Change Repurchase Price, as the case may be.

(b) If by 10:00 a.m., New York City time, on the Repurchase Date or Fundamental Change Repurchase Date, as the case may be, the Paying Agent (or other agent appointed for this purpose by the Company) holds money sufficient to make payment on all the Notes or portions thereof that are to be repurchased on the Repurchase Date or Fundamental Change Repurchase Date, as the case may be, then, with respect to the Notes that have been properly surrendered for repurchase to the Paying Agent (or other Agent appointed for such purpose) and not validly withdrawn, on the Repurchase Date or Fundamental Change Repurchase Date, as the case may be, (i) such Notes will cease to be outstanding, (ii) interest will cease to accrue on such Notes (whether or not book-entry transfer of the Notes has been made or the Notes have been delivered to the Trustee) and (iii) all other rights of the Holders of such Notes will terminate (other than the right to receive the Repurchase Price or Fundamental Change Repurchase Price, as the case may be, and the right of the Holder on the applicable Regular Record Date to receive previously accrued and unpaid interest, if any, upon delivery or transfer of the Notes to the extent not included in the Repurchase Price or Fundamental Change Repurchase Price, as the case may be).

(c) Upon surrender of a Note that is to be repurchased in part pursuant to Section 15.01 or Section 15.02, the Company shall execute and the Trustee, upon receipt of a Company Order, shall authenticate and deliver to the Holder a new Note in an authorized denomination equal in principal amount to the unrepurchased portion of the Note surrendered.

Section 15.05 *Covenant to Comply with Applicable Laws Upon Repurchase of Notes.* In connection with any repurchase offer, the Company will, if required:

- (a) comply with the provisions of Rule 13e-4, Rule 14e-1 and any other tender offer rules under the Exchange Act;
- (b) file a Schedule TO or other required schedule under the Exchange Act; and
- (c) otherwise comply with all applicable federal and state securities laws in connection with any offer by the Company to repurchase the Notes;

in each case, so as to permit the rights and obligations under this Article 15 to be exercised in the time and in the manner specified in this Article 15.

Notwithstanding anything to the contrary in this Indenture, the Company shall not be required to repurchase, or to make an offer to repurchase, the Notes upon a Fundamental Change if a third party makes such an offer in the same manner, at the same time, for the same or greater price and otherwise in compliance with the requirements for an offer made by the Company as set forth above in this Section 15.05, and such third party purchases all Notes properly surrendered and not validly withdrawn under its offer in the same manner, at the same time, for the same or greater price and otherwise in compliance with the requirements for an offer made by the Company as set forth above in this Section 15.05 (including the requirement to pay the Fundamental Change Repurchase Price on the later of the applicable Fundamental Change Repurchase Date and the time of book-entry transfer or delivery of the relevant Notes); *provided* that the Company will continue to be obligated to (i) deliver the applicable Fundamental Change notice to the holders (which Fundamental Change notice will state that such third party will make such an offer to purchase the Notes), (ii) comply with applicable securities laws as set forth in this Section 15.05 in connection with any such purchase and (iii) pay the applicable Fundamental Change Repurchase Price on the later of the applicable Fundamental Change Repurchase Date and the time of book-entry transfer or delivery of the relevant Notes in the event such third party fails to make such payment in such amount at such time.

Notwithstanding anything to the contrary in this Indenture, to the extent that the provisions of any federal or state securities laws or other applicable laws or regulations adopted after the date on which the Notes are first issued conflict with the provisions of this Indenture relating to the Company's obligations to repurchase the Notes upon a Fundamental Change, the Company shall comply with the applicable securities laws and regulations and shall not be deemed to have breached its obligations under such provisions of this Indenture by virtue of such conflict.

ARTICLE 16
TAX REDEMPTION AND CLEANUP REDEMPTION

Section 16.01 *Optional Redemption for Changes in the Tax Laws of the Relevant Taxing Jurisdiction*. Other than as described in this Article 16, the Notes may not be redeemed by the Company at its option prior to maturity. If the Company has, or on the next Interest Payment Date would, become obligated to pay to the Holder of any Note Additional Amounts as a result of:

(a) any change or amendment that is not publicly announced before and that becomes effective on or after June 19, 2025 or, in the case of a successor, the date such successor assumes all of the Company's obligations under the Notes and the Indenture, or, in the case of a jurisdiction that becomes a Relevant Taxing Jurisdiction on a date that is after such date, after such date upon which such jurisdiction becomes a Relevant Taxing Jurisdiction, in the laws or any rules or regulations of a Relevant Taxing Jurisdiction; or

(b) any change that is not publicly announced before and becomes effective on or after June 19, 2025 or, in the case of a successor, the date such successor assumes all of the Company's obligations under the Notes and the Indenture or, in the case of a jurisdiction that becomes a Relevant Taxing Jurisdiction after such date, after such date upon which such jurisdiction becomes a Relevant Taxing Jurisdiction, in an interpretation, administration or application of such laws, rules or regulations by any legislative body, court, governmental agency, taxing authority or regulatory or administrative authority of such Relevant Taxing Jurisdiction (including the enactment of any legislation and the announcement or publication of any judicial decision or regulatory or administrative interpretation or determination);

(each, a "**Change in Tax Law**"), the Company may, at its option at any time, redeem all but not part of the Notes (except in respect of certain Holders that elect otherwise as described below) at a redemption price equal to 100% of the principal amount (the "**Tax Redemption Price**"), plus accrued and unpaid interest, if any, to, but excluding the date fixed by the Company for redemption (the "**Tax Redemption Date**") (such redemption, a "**Tax Redemption**"), including, any Additional Amounts then due or that will become due on the Tax Redemption Date with respect to such interest and Redemption Price; *provided* that the Company may only redeem the Notes if: (i) the Company cannot avoid such obligations by taking commercially reasonable measures available to the Company (*provided* that changing the jurisdiction of incorporation of the Company shall be deemed not to be a commercially reasonable measure); and (ii) the Company delivers to the Trustee an opinion of outside legal counsel or tax advisor of recognized standing in the Relevant Taxing Jurisdiction attesting to such Change in Tax Law and obligation to pay Additional Amounts and an Officers' Certificate attesting to the Company's determination that such obligation cannot be avoided by taking commercially reasonable measures available to the Company. The Trustee shall and is entitled to rely upon such opinion and Officers' Certificate (without further investigation and inquiry) as sufficient evidence of the existence and satisfaction of the conditions precedent described above, in which event it shall be conclusive and binding on the Holders.

Notwithstanding anything to the contrary in this Article 16, neither the Company nor any successor Person may redeem any of the Notes in the case that Additional Amounts are payable in respect of PRC withholding tax and any other tax collected at source at the Applicable PRC Rate or less solely as a result of the Company or its successor Person being considered a PRC tax resident under the PRC Enterprise Income Tax law.

If the Tax Redemption Date occurs after a Regular Record Date and on or prior to the corresponding Interest Payment Date, the Company shall pay or cause the Paying Agent to pay, on the Interest Payment Date, the full amount of accrued and unpaid interest, if any, due on such Interest Payment Date to the record holder of the Notes on the Regular Record Date corresponding to such Interest Payment Date, and the Redemption Price payable to the Holder who presents a Note for Tax Redemption shall be equal to 100% of the principal amount of such Note, including, for the avoidance of doubt, any Additional Amounts with respect to such interest and such Redemption Price. The Company shall notify the Trustee in writing of its election and the date on which such interest and any Additional Amounts with respect to such interest shall be paid at the time the Company provides notice of such redemption.

The Company shall give the Trustee and Holders of Notes not less than 95 Scheduled Trading Days' but no more than 110 Scheduled Trading Days' notice of redemption (a "**Tax Redemption Notice**") prior to the Tax Redemption Date; *provided*, however, if, in accordance with the provisions described in Section 14.02, the Company elects to settle all conversions with a Conversion Date that occurs on or after the date the Company sends such Tax Redemption Notice and on or before the third Scheduled Trading Day immediately preceding the Tax Redemption Date by Physical Settlement, then the Company may instead elect to choose a Tax Redemption Date that is a Business Day no more than 60 Scheduled Trading Days, nor less than 30 Scheduled Trading Days after the date the Company sends such Tax Redemption Notice. Simultaneously with providing such notice, which will include the Redemption Price, the Tax Redemption Date and the Settlement Method that will apply to all conversions with a Conversion Date that occurs on or after the date the Company sends such notice of redemption and before the close of business on the third Scheduled Trading Day immediately before the related Tax Redemption Date, the Company shall publish a notice containing this information in a newspaper of general circulation in The City of New York or publish the information on the Company's website or through such other public medium as the Company may use at that time. The Tax Redemption Date must be a Business Day and cannot fall after the Maturity Date.

Upon receiving such notice of redemption, each Holder shall have the right to elect to not have its Notes redeemed, in which case the Company shall not be obligated to pay any Additional Amounts on any payment with respect to such Notes solely as a result of such Change in Tax Law that resulted in the obligation to pay such Additional Amounts (whether of interest or payment, upon required repurchase, maturity or otherwise) after the Tax Redemption Date (or, if the Company fails to pay the Redemption Price on the Tax Redemption Date, such later date on which the Company pays the Redemption Price), and all future payments with respect to such Notes shall be subject to the deduction or withholding of such Relevant Taxing Jurisdiction and taxes required by law to be deducted or withheld as a result of such Change in Tax Law.

Subject to the applicable procedures of DTC in the case of Global Notes, a Holder electing to not have its Notes redeemed must deliver to the Company, with a copy to the Paying Agent, a written notice of election so as to be received by the Company and the Paying Agent or otherwise by complying with the requirements for conversion in Section 14.02(b) prior to the close of business on the third Scheduled Trading Day immediately preceding the Tax Redemption Date shall be deemed to have delivered a notice of its election to not have its Notes so redeemed. A Holder may withdraw any notice of election (other than such a deemed notice of election in connection with a conversion) by delivering to the Company and the Paying Agent a written notice of withdrawal prior to the close of business on the third Scheduled Trading Day immediately preceding the Tax Redemption Date (or, if the Company fails to pay the Redemption Price on the Tax Redemption Date, such later date on which the Company pays the Redemption Price). If no election is made or deemed to have been made, the Holder shall have its Notes redeemed without any further action.

Notes that have been called for Tax Redemption can only be converted prior to the close of business on the third Scheduled Trading Day immediately preceding the Tax Redemption Date, unless the Holder opts not to have its Notes redeemed or the Company fails to pay the Redemption Price on the Tax Redemption Date.

No Notes may be redeemed by the Company or its successor if the principal amount of the Notes has been accelerated, and such acceleration has not been rescinded, on or prior to the Tax Redemption Date (except in the case of an acceleration resulting from a default by the Company in the payment of the Redemption Price with respect to such Notes).

The Trustee shall have no obligation to determine whether any Additional Amounts are payable under this Indenture, or the amount hereof.

Section 16.02 *[Reserved]*

Section 16.03 *Cleanup Redemption*. (a) The Company may at its option redeem for cash all but not part of the Notes at any time, on a redemption date (the “**Cleanup Redemption Date**”), if less than 10% of the aggregate principal amount of Notes originally issued remains outstanding at such time (for the avoidance of doubt, including all Notes previously surrendered to the Company pursuant to Section 14.13 (Exchange In Lieu Of Conversion) (such redemption, a “**Cleanup Redemption**”).

(b) In the case of any Cleanup Redemption, the Company shall give the Trustee, the Conversion Agent (if other than the Trustee) and each Holder of the Notes not less than 95 Scheduled Trading Days’ but no more than 110 Scheduled Trading Days’ written notice (a “**Cleanup Redemption Notice**”) prior to the Cleanup Redemption Date, and the Redemption Price will be equal to 100% of the principal amount of the Notes to be redeemed (the “**Cleanup Redemption Price**”), plus accrued and unpaid interest, if any, to, but excluding, the Cleanup Redemption Date (unless the Cleanup Redemption Date falls after a Regular Record Date but on or prior to the immediately succeeding Interest Payment Date, in which case the Company shall pay on the Interest Payment Date the full amount of accrued and unpaid interest, if any, to the holder of record as of the close of business on such Regular Record Date, and the Redemption Price shall be equal to 100% of the principal amount of the Notes to be redeemed); *provided*, however, if, in accordance with the provisions described in Section 14.02, the Company elects to settle all conversions with a Conversion Date that occurs on or after the date the Company sends such Cleanup Redemption Notice and on or before the third Scheduled Trading Day immediately preceding the Cleanup Redemption Date by Physical Settlement, then the Company may instead elect to choose a Cleanup Redemption Date that is a Business Day no more than 60 Scheduled Trading Days, nor less than 30 Scheduled Trading Days after the date the Company sends such Cleanup Redemption Notice. The Cleanup Redemption Date must be a Business Day. The Company may not specify a Cleanup Redemption Date that falls on or after the 92nd Scheduled Trading Day immediately preceding the Maturity Date. The Company shall send to each Holder (with a copy to the Trustee and the Conversion Agent (if other than the Trustee)) written Cleanup Redemption Notice containing certain information set forth in this Indenture, including:

(i) the Cleanup Redemption Date;

(ii) the Redemption Price;

(iii) the Settlement Method that will apply to all conversions with a Conversion Date that occurs on or after the date the Company sends such Cleanup Redemption Notice and before the close of business on the third Scheduled Day immediately before the related Cleanup Redemption Date;

(iv) that on the Cleanup Redemption Date, the Redemption Price will become due and payable for each Note to be redeemed, and that interest thereon, if any, shall cease to accrue on and after the Cleanup Redemption Date unless the Company defaults in the payment of the Redemption Price;

(v) the place or places where the Notes subject to such redemption are to be surrendered for payment of the Redemption Price;

(vi) that Holders may surrender Notes for conversion at any time prior to the close of business on the third Scheduled Trading Day prior to the Cleanup Redemption Date (unless the Company fails to pay the Redemption Price, in which case a Holder of Notes may convert such Notes until such later date on which the Redemption Price has been paid or duly provided for);

(vii) the Conversion Rate and, if applicable, the number of Additional ADSs added to the Conversion Rate in accordance with Section 14.03;

(viii) the CUSIP, ISIN or other similar numbers, if any, assigned to such Notes and that no representation is made as to the correctness or accuracy of the CUSIP or ISIN number listed in such notice or printed on the Notes; and

(ix) in case any Note is to be redeemed in part only, the portion of the principal amount thereof to be redeemed, and that upon surrender of such Note, a new Note in principal amount equal to the unredeemed portion thereof shall be issued.

Simultaneously with providing such notice of redemption, the Company shall publish a notice containing this information in a newspaper of general circulation in The City of New York or publish the information on the Company's website or through such other public medium as the Company may use at that time.

A Cleanup Redemption Notice shall be irrevocable. At the Company's prior written request, the Trustee shall give the Cleanup Redemption Notice in the Company's name and at its expense; *provided, however*, that the Company shall have delivered to the Trustee not later than the close of business five Business Days prior to the date the Cleanup Redemption Notice is to be sent (unless a shorter period shall be satisfactory to the Trustee), an Officer's Certificate and a Company Order requesting that the Trustee give such Cleanup Redemption Notice together with the Cleanup Redemption Notice to be given setting forth the information to be stated therein as provided in the preceding paragraph. The Cleanup Redemption Notice, if given in the manner herein provided, shall be conclusively presumed to have been duly given, whether or not the Holder receives such notice. In any case, failure to give such Cleanup Redemption Notice or any defect in the Cleanup Redemption Notice to the Holder of any Note designated for redemption as a whole or in part shall not affect the validity of the proceedings for the Cleanup Redemption of any other Note.

Notes that have been called for Cleanup Redemption can only be converted prior to the close of business on the third Scheduled Trading Day immediately preceding the Cleanup Redemption Date, unless we fail to pay the Redemption Price on the Cleanup Redemption Date.

No Notes may be redeemed if the principal amount of the Notes has been accelerated, and such acceleration has not been rescinded, on or prior to the Cleanup Redemption Date (except in the case of an acceleration resulting from a default by the Company in the payment of the Redemption Price with respect to such Notes).

ARTICLE 17
MISCELLANEOUS PROVISIONS

Section 17.01 *Provisions Binding on Company's Successors*. All the covenants, stipulations, promises and agreements of the Company contained in this Indenture shall bind its successors and assigns whether so expressed or not.

Section 17.02 *Official Acts by Successor Corporation*. Any act or proceeding by any provision of this Indenture authorized or required to be done or performed by any board, committee or Officer of the Company shall and may be done and performed with like force and effect by the like board, committee or officer of any corporation or other entity that shall at the time be the lawful sole successor of the Company.

Section 17.03 *Addresses for Notices, Etc*. Any notice or demand that by any provision of this Indenture is required or permitted to be given or served by the Trustee or by the Holders on the Company shall be deemed to have been sufficiently given or made, for all purposes if given or served by being deposited postage prepaid by registered or certified mail in a post office letter box addressed (until another address is filed by the Company with the Trustee) to FinVolution Group, Building G1, No. 999 Dangui Road, Pudong New District, Shanghai 201203, People's Republic of China, Attention: Jiayuan Xu, Chief Financial Officer. Any notice, direction, request or demand hereunder to or upon the Trustee or the Paying Agent shall be given or served by being deposited postage prepaid by registered or certified mail in a post office letter box addressed to the Paying Agent Office or sent electronically in PDF format. Any notice, direction, request or demand hereunder to or upon the Trustee shall be given or made by being deposited postage prepaid by registered or certified mail in a post office letter box addressed to the Corporate Trust Office or sent electronically in PDF format and shall be deemed to be received upon actual receipt thereof by the Trustee. Notwithstanding any other provision of the Indenture, notices to the Trustee and any other Agent shall only be deemed received upon actual receipt thereof by a Responsible Officer at the Corporate Trust Office or the Paying Corporate Trust Office, as applicable.

All notices and other communications under this Indenture shall be in writing in English.

So long as and to the extent that the Notes are represented by Global Notes and such Global Notes are held by DTC, notices to owners of beneficial interests in the Global Notes may be given by delivery of the relevant notice to DTC for communication by it to entitled account holders in accordance with DTC's applicable procedures.

The Company hereby acknowledges that it is fully aware of the risks associated with transmitting instructions via electronic methods (including facsimile), and being aware of these risks, authorizes the Trustee to accept and act upon any instruction sent to it or any Paying Agent, Transfer Agent, Conversion Agent or Note Registrar in the Company's name or in the name of one or more appropriate authorized signers of the Company via electronic methods (including facsimile). The Trustee shall be entitled to rely on Section 7.06 of this Indenture when accepting or acting upon any instructions, communications or documents received by it, and shall not be liable in the event any notice or communication is not received, or is mutilated, illegible, interrupted, duplicated, incomplete, unauthorized or delayed for any reason, including (but not limited to) electronic or telecommunications failure.

Furthermore, notwithstanding the above, if any Trustee receives information or instructions delivered by electronic mail, other electronic method or other unsecured method of communication believed by it to be genuine and to have been sent by the proper person or persons, the Trustee or any Paying Agent, Transfer Agent, Conversion Agent or Note Registrar shall have (i) no duty or obligation to verify or confirm that the person who sent such instructions is in fact a person authorized to give instructions or directions on behalf of the Company and (ii) absent its or their gross negligence or willful misconduct, no liability for any losses, liabilities, costs or expenses incurred or sustained by any holder, the Company or any other person as a result of such reliance on or compliance with such information or instructions.

The Trustee, by notice to the Company, may designate additional or different addresses for subsequent notices or communications.

Any notice or communication delivered or to be delivered to a Holder of Physical Notes shall be mailed to it by first class mail, postage prepaid, at its address as it appears on the Note Register or sent by electronic mail and shall be sufficiently given to it if so delivered within the time prescribed. Any notice or communication delivered or to be delivered to a Holder of Global Notes shall be delivered in accordance with the applicable procedures of the Depositary and shall be sufficiently given to it so delivered within the time prescribed.

Failure to mail or deliver a notice or communication to a Holder or any defect in it shall not affect its sufficiency with respect to other Holders. If a notice or communication is mailed or delivered, as the case may be, in the manner provided above, it is duly given, whether or not the addressee receives it.

In case by reason of the suspension of regular mail service or by reason of any other cause it shall be impracticable to give such notice to Holders by mail, then such notification as shall be made with the approval of the Trustee shall constitute a sufficient notification for every purpose hereunder.

Section 17.04 *Governing Law; Jurisdiction*. THIS INDENTURE AND EACH NOTE, AND ANY CLAIM, CONTROVERSY OR DISPUTE ARISING UNDER OR RELATED TO THIS INDENTURE AND EACH NOTE, SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK (WITHOUT REGARD TO THE CONFLICTS OF LAW PROVISIONS THEREOF).

The Company irrevocably consents and agrees, for the benefit of the Holders from time to time of the Notes and the Trustee, that any legal action, suit or proceeding against it with respect to obligations, liabilities or any other matter arising out of or in connection with this Indenture or the Notes may be brought in the courts of the State of New York or the courts of the United States located in the Borough of Manhattan, New York City, New York and, until amounts due and to become due in respect of the Notes have been paid, hereby irrevocably consents and submits to the non-exclusive jurisdiction of each such court *in personam*, generally and unconditionally with respect to any action, suit or proceeding for itself in respect of its properties, assets and revenues.

The Company irrevocably and unconditionally waives, to the fullest extent permitted by law, any objection which it may now or hereafter have to the laying of venue of any of the aforesaid actions, suits or proceedings arising out of or in connection with this Indenture brought in the courts of the State of New York or the courts of the United States located in the Borough of Manhattan, New York City, New York and hereby further irrevocably and unconditionally waives and agrees not to plead or claim in any such court that any such action, suit or proceeding brought in any such court has been brought in an inconvenient forum.

Section 17.05 *Submission to Jurisdiction; Service of Process*. The Company irrevocably appoints Law Debenture Corporate Services Inc. of 420 Lexington Avenue, Suite 901, New York, NY 10170 as its authorized agent in the Borough of Manhattan in the City of New York upon which process may be served in any such suit or proceeding, and agrees that service of process upon such agent, and written notice of said service to the Company by the person serving the same to FinVolution Group, Building G1, No. 999 Dangui Road, Pudong New District, Shanghai 201203, People's Republic of China, Attention: Jiayuan Xu, Chief Financial Officer, shall be deemed in every respect effective service of process upon the Company in any such suit or proceeding. The Company further agrees to take any and all action as may be necessary to maintain such designation and appointment of such agent in full force and effect for a period of five years and one month from the date of this Indenture. If for any reason such agent shall cease to be such agent for service of process, the Company shall forthwith appoint a new agent of recognized standing for service of process in the State of New York and deliver to the Trustee a copy of the new agent's acceptance of that appointment within ten Business Days of such acceptance. Nothing herein shall affect the right of the Trustee, any Agent or any Holder to serve process in any other manner permitted by law or to commence legal proceedings or otherwise proceed against the Company in any other court of competent jurisdiction. To the extent that the Company has or hereafter may acquire any sovereign or other immunity from jurisdiction of any court or from any legal process with respect to itself or its property, the Company irrevocably waives such immunity in respect of its obligations hereunder or under any Note.

Section 17.06 *Evidence of Compliance with Conditions Precedent; Certificates and Opinions of Counsel to Trustee*. Upon any application or demand by the Company to the Trustee to take any action under any of the provisions of this Indenture, the Company shall, if requested by the Trustee, furnish to the Trustee an Officers' Certificate and Opinion of Counsel stating that such action is permitted by the terms of this Indenture.

Each Officers' Certificate provided for, by or on behalf of the Company in this Indenture and delivered to the Trustee with respect to compliance with this Indenture (other than the Officers' Certificates provided for in Section 4.09) shall include (a) a statement that the person making such certificate is familiar with the requested action and this Indenture; (b) a brief statement as to the nature and scope of the examination or investigation upon which the statement contained in such certificate is based; (c) a statement that, in the judgment of such person, he or she has made such examination or investigation as is necessary to enable him or her to express an informed judgment as to whether or not such action is permitted by this Indenture; and (d) a statement as to whether or not, in the judgment of such person, such action is permitted by this Indenture.

Notwithstanding anything to the contrary in this Section 17.06, if any provision in this Indenture specifically provides that the Trustee shall or may receive an Opinion of Counsel in connection with any action to be taken by the Trustee or the Company hereunder, the Trustee shall be entitled to such Opinion of Counsel.

Section 17.07 *Legal Holidays*. In any case where any Interest Payment Date, Tax Redemption Date, Cleanup Redemption Date, Fundamental Change Repurchase Date, Conversion Date, Repurchase Date or Maturity Date is not a Business Day, then any action to be taken on such date need not be taken on such date, but may be taken on the next succeeding Business Day with the same force and effect as if taken on such date, and no interest shall accrue in respect of the delay.

Section 17.08 *No Security Interest Created*. Nothing in this Indenture or in the Notes, expressed or implied, shall be construed to constitute a security interest under the Uniform Commercial Code or similar legislation, as now or hereafter enacted and in effect, in any jurisdiction.

Section 17.09 *Benefits of Indenture*. Nothing in this Indenture or in the Notes, expressed or implied, shall give to any Person, other than the Holders, the parties hereto, any Paying Agent, any Conversion Agent, any Note Registrar and their successors hereunder, any benefit or any legal or equitable right, remedy or claim under this Indenture.

Section 17.10 *Table of Contents, Headings, Etc*. The table of contents and the titles and headings of the articles and sections of this Indenture have been inserted for convenience of reference only, are not to be considered a part hereof, and shall in no way modify or restrict any of the terms or provisions hereof.

Section 17.11 *Execution in Counterparts*. This Indenture may be executed in any number of counterparts, each of which shall be an original, but such counterparts shall together constitute but one and the same instrument. The exchange of copies of this Indenture and of signature pages by facsimile or PDF transmission shall constitute effective execution and delivery of this Indenture as to the parties hereto and may be used in lieu of the original Indenture for all purposes. Signatures of the parties hereto transmitted by facsimile or PDF shall be deemed to be their original signatures for all purposes.

Section 17.12 *Severability*. In the event any provision of this Indenture or in the Notes shall be invalid, illegal or unenforceable, then (to the extent permitted by law) the validity, legality or enforceability of the remaining provisions shall not in any way be affected or impaired.

Section 17.13 *Waiver of Jury Trial*. EACH OF THE COMPANY AND THE TRUSTEE HEREBY IRREVOCABLY WAIVES, AND EACH HOLDER, BY ITS ACCEPTANCE OF A NOTE OR A BENEFICIAL INTEREST IN A GLOBAL NOTE, AS APPLICABLE, SHALL BE DEEMED TO HAVE WAIVED, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS INDENTURE, THE NOTES OR THE TRANSACTIONS CONTEMPLATED HEREBY.

Section 17.14 *Force Majeure*. In no event shall the Trustee or the Agents be responsible or liable for any failure or delay in the performance of its obligations hereunder arising out of or caused by, directly or indirectly, forces beyond its control, including, without limitation, strikes, work stoppages, accidents, acts of war or terrorism, civil or military disturbances, nuclear or natural catastrophes, pandemics, epidemics and wide spread health crisis, or acts of God, and interruptions, loss or malfunctions of utilities, communications or computer (software and hardware) services; it being understood that the Trustee or the Agents, as the case may be, shall use reasonable efforts that are consistent with accepted practices in the banking industry to resume performance as soon as practicable under the circumstances.

Section 17.15 *Calculations*. Except as otherwise provided herein, the Company shall be responsible for making all calculations called for under the Notes or in connection with a conversion and in no instance shall the Trustee, the Conversion Agent or the Agents be responsible for making such calculations and in no instance shall the Trustee or the Agents be responsible for making such calculations. These calculations include, but are not limited to, determinations of the Last Reported Sale Prices of the ADSs, the Daily VWAPs, the Daily Conversion Values, the Daily Settlement Amounts, any accrued interest payable on the Notes, the number of Additional ADSs to be added to the Conversion Rate upon a Make-Whole Fundamental Change or in connection with a Redemption Notice, if any, the Conversion Rate of the Notes and any adjustments thereto. The Company shall make all these calculations in good faith and, absent manifest error, the Company's calculations shall be final and binding on Holders. The Company shall provide a schedule of its calculations to each of the Trustee, the Paying Agent and the Conversion Agent, and each of the Trustee, the Paying Agent and the Conversion Agent is entitled to rely conclusively and without liability upon the accuracy of the Company's calculations without independent verification. The Trustee will forward the Company's calculations to any registered Holder of Notes upon the prior written request of that Holder at the sole cost and expense of the Company.

Section 17.16 *Patriot Act*. In order to comply with the laws, rules, regulations and executive orders in effect from time to time applicable to banking institutions, including, without limitation, those relating to the funding of terrorist activities and money laundering, including Section 326 of the USA PATRIOT Act of the United States ("**Applicable Law**"), the Trustee is required to obtain, verify, record and update certain information relating to individuals and entities which maintain a business relationship with the Trustee. Accordingly, each of the parties agree to provide to the Trustee, upon their request from time to time such identifying information and documentation as may be available for such party in order to enable the Trustee to comply with Applicable Law.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the parties hereto have caused this Indenture to be duly executed as of the date first above written.

FINVOLUTION GROUP

By: /s/ Tiezheng Li

Name: Tiezheng Li

Title: Vice Chairman of the Board of Director and Chief Executive Director

Signature Page to Indenture

CITIBANK, N.A., as Trustee

By: /s/ Peter Lopez

Name: Peter Lopez

Title: Senior Trust Officer

Signature Page to Indenture

FORM OF FACE OF NOTE

[INCLUDE FOLLOWING LEGEND IF A GLOBAL NOTE]

[THIS IS A GLOBAL NOTE WITHIN THE MEANING OF THE INDENTURE HEREINAFTER REFERRED TO AND IS REGISTERED IN THE NAME OF THE DEPOSITARY OR A NOMINEE OF THE DEPOSITARY, WHICH MAY BE TREATED BY THE COMPANY, THE TRUSTEE AND ANY AGENT THEREOF AS THE OWNER AND HOLDER OF THIS NOTE FOR ALL PURPOSES.

UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITARY TRUST COMPANY, A NEW YORK CORPORATION ("DTC"), TO THE COMPANY OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE, OR PAYMENT, AND ANY CERTIFICATE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.]

[INCLUDE FOLLOWING LEGEND IF A RESTRICTED SECURITY]

[THIS SECURITY, THE AMERICAN DEPOSITARY SHARES DELIVERABLE UPON CONVERSION OF THIS SECURITY, IF ANY, AND THE CLASS A ORDINARY SHARES REPRESENTED THEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), ARE "RESTRICTED SECURITIES" WITHIN THE MEANING OF RULE 144 UNDER THE SECURITIES ACT OR CONTRACTUALLY RESTRICTED SECURITIES, AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT IN ACCORDANCE WITH THE FOLLOWING SENTENCE. BY ITS ACQUISITION HEREOF OR OF A BENEFICIAL INTEREST HEREIN, THE ACQUIRER:

(1) REPRESENTS THAT IT AND ANY ACCOUNT FOR WHICH IT IS ACTING IS A "QUALIFIED INSTITUTIONAL BUYER" (WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT) AND THAT IT EXERCISES SOLE INVESTMENT DISCRETION WITH RESPECT TO EACH SUCH ACCOUNT AND THAT IT AND ANY SUCH ACCOUNT IS NOT, AND HAS NOT BEEN FOR THE IMMEDIATELY PRECEDING THREE MONTHS, AN AFFILIATE OF FINVOLUTION GROUP (THE "**COMPANY**"), AND

(2) AGREES FOR THE BENEFIT OF THE COMPANY THAT IT WILL NOT OFFER, SELL, PLEDGE OR OTHERWISE TRANSFER THIS SECURITY, THE AMERICAN DEPOSITARY SHARES DELIVERABLE UPON CONVERSION OF THIS SECURITY, IF ANY, AND THE CLASS A ORDINARY SHARES REPRESENTED THEREBY OR ANY BENEFICIAL INTEREST HEREIN OR THEREIN PRIOR TO THE DATE THAT IS THE LATER OF (X) ONE YEAR AFTER THE ISSUE DATE OR SUCH SHORTER PERIOD OF TIME AS PERMITTED BY RULE 144 UNDER THE SECURITIES ACT OR ANY SUCCESSOR PROVISION THERETO AND (Y) SUCH LATER DATE, IF ANY, AS MAY BE REQUIRED BY APPLICABLE LAW, EXCEPT:

(A) TO THE COMPANY OR ANY SUBSIDIARY THEREOF, OR

(B) PURSUANT TO A REGISTRATION STATEMENT WHICH HAS BECOME EFFECTIVE UNDER THE SECURITIES ACT, OR

(C) TO A PERSON REASONABLY BELIEVED TO BE A QUALIFIED INSTITUTIONAL BUYER IN COMPLIANCE WITH RULE 144A UNDER THE SECURITIES ACT, OR

(D) PURSUANT TO AN EXEMPTION FROM REGISTRATION PROVIDED BY RULE 144 UNDER THE SECURITIES ACT (IF AVAILABLE); OR

(E) PURSUANT TO ANY OTHER EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT.

PRIOR TO THE REGISTRATION OF ANY TRANSFER IN ACCORDANCE WITH (2)(D) OR (2)(E) ABOVE, THE COMPANY, THE ADS DEPOSITARY AND THE TRUSTEE RESERVE THE RIGHT TO REQUIRE THE DELIVERY OF SUCH LEGAL OPINIONS, CERTIFICATIONS OR OTHER EVIDENCE AS MAY REASONABLY BE REQUIRED IN ORDER TO DETERMINE THAT THE PROPOSED TRANSFER IS BEING MADE IN COMPLIANCE WITH THE SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS. NO REPRESENTATION IS MADE AS TO THE AVAILABILITY OF ANY EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT.

NO AFFILIATE (AS DEFINED IN RULE 144 UNDER THE SECURITIES ACT) OF THE COMPANY OR PERSON THAT HAS BEEN AN AFFILIATE (AS DEFINED IN RULE 144 UNDER THE SECURITIES ACT) OF THE COMPANY DURING THE THREE IMMEDIATELY PRECEDING MONTHS MAY PURCHASE, OTHERWISE ACQUIRE OR OWN THIS NOTE, THE AMERICAN DEPOSITARY SHARES DELIVERABLE UPON CONVERSION HEREOF, IF ANY, AND THE CLASS A ORDINARY SHARES REPRESENTED THEREBY, OR A BENEFICIAL INTEREST HEREIN OR THEREIN.]

FinVolution Group

2.50% Convertible Senior Notes due 2030

No. [_____]

[Initially]¹ US\$ _____

CUSIP No. 31810T AA9
ISIN No. US31810TAA97

FinVolution Group, a company duly organized and validly existing under the laws of the Cayman Islands (the “**Company**,” which term includes any successor company or corporation or other entity under the Indenture referred to on the reverse hereof), for value received hereby promises to pay to [CEDE & CO.]² [_____]³, or registered assigns, the principal sum [as set forth in the “Schedule of Exchanges of Notes” attached hereto]⁴ [of US\$[_____]]⁵, which amount, taken together with the principal amounts of all other outstanding Notes, shall not, unless permitted by the Indenture, exceed US\$150,000,000 in aggregate at any time, in accordance with the rules and procedures of the Depository, on July 1, 2030, and interest thereon as set forth below.

This Note shall bear cash interest at the rate of 2.50% per year from, and including, June 24, 2025, or from, and including, the most recent date to which interest had been paid or provided for to, but excluding, the next scheduled Interest Payment Date until July 1, 2030. Interest is payable semi-annually in arrears on each January 1 and July 1, commencing on January 1, 2026, to Holders of record at the close of business on the preceding June 15 and December 15 (whether or not such day is a Business Day), respectively. Additional Interest, if any, will be payable as set forth in Section 4.06(d), Section 4.06(e) and Section 6.03 of the within-mentioned Indenture, and any reference to interest on, or in respect of, any Note therein shall be deemed to include Additional Interest if, in such context, Additional Interest is, was or would be payable pursuant to any of such Section 4.06(d), Section 4.06(e) and Section 6.03, and any express mention of the payment of Additional Interest, if any, in any provision therein shall not be construed as excluding Additional Interest in those provisions thereof where such express mention is not made.

Any Defaulted Amounts shall accrue interest per annum at the rate per annum borne by the Notes *plus* one percent, subject to the enforceability thereof under applicable law, from, and including, the relevant payment date to, but excluding, the date on which such Defaulted Amounts shall have been paid by the Company, at its election, in accordance with Section 2.03(c) of the Indenture.

¹ Include if a Global Note.

² Include if a Global Note.

³ Include if a Physical Note.

⁴ Include if a Global Note.

⁵ Include if a Physical Note.

The Company shall pay or cause the Paying Agent to pay the principal of and interest on this Note, so long as such Note is a Global Note, by wire transfer in immediately available funds to the Depository or its nominee, as the case may be, as the registered Holder of such Note. As provided in and subject to the provisions of the Indenture, the Company shall pay the principal of any Notes (other than Notes that are Global Notes) at the office or agency designated by the Company for that purpose. The Company has initially designated Citibank, N.A. as its Paying Agent, Conversion Agent and Note Registrar in respect of the Notes and its Corporate Trust Office, as a place where Notes may be presented for payment or for registration of transfer.

Reference is made to the further provisions of this Note set forth on the reverse hereof, including, without limitation, provisions giving the Holder of this Note the right to convert this Note into cash, ADSs or a combination of cash and ADSs, as applicable, on the terms and subject to the limitations set forth in the Indenture. Such further provisions shall for all purposes have the same effect as though fully set forth at this place.

This Note, and any claim, controversy or dispute arising under or related to this Note, shall be construed in accordance with and governed by the laws of the State of New York (without regard to the conflicts of laws provisions thereof).

In the case of any conflict between this Note and the Indenture, the provisions of the Indenture shall control and govern.

This Note shall not be valid or become obligatory for any purpose until the certificate of authentication hereon shall have been signed manually or electronically by the Trustee or a duly authorized authenticating agent under the Indenture.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the Company has caused this Note to be duly executed.

FINVOLUTION GROUP

By: _____
Name:
Title:

Dated:

TRUSTEE'S CERTIFICATE OF AUTHENTICATION

CITIBANK, N.A.,

as Trustee, certifies that this is one of the Notes described
in the within-named Indenture.

By: _____
Authorized signatory

FORM OF REVERSE OF NOTE

FinVolution Group
2.50% Convertible Senior Notes due 2030

This Note is one of a duly authorized issue of Notes of the Company, designated as its 2.50% Convertible Senior Notes due 2030 (the “Notes”), initially limited to the aggregate principal amount of US\$150,000,000, subject to Section 2.10 of the Indenture, all issued or to be issued under and pursuant to an Indenture dated as of June 24, 2025 (the “**Indenture**”), between the Company and Citibank, N.A. as trustee (the “**Trustee**”), to which Indenture and all indentures supplemental thereto reference is hereby made for a description of the rights, limitations of rights, obligations, duties, indemnifications, privileges, disclaimers from liability and immunities thereunder of the Trustee, the Company and the Holders of the Notes. Additional Notes may be issued in an unlimited aggregate principal amount, subject to certain conditions specified in the Indenture. Capitalized terms used herein but not defined shall have the meanings ascribed to such terms in the Indenture.

In the case certain Events of Default, as defined in the Indenture, shall have occurred and be continuing, the principal of, and interest on, all Notes may be declared, by either the Trustee or Holders of at least 25% in aggregate principal amount of Notes then outstanding, and upon said declaration shall become, due and payable, in the manner, with the effect and subject to the conditions and certain exceptions set forth in the Indenture. In the case certain Events of Default relating to a bankruptcy (or similar proceeding) with respect to the Company or a significant subsidiary as defined in Article 1, Rule 1-02 of Regulation S-X of the Company shall have occurred, the principal of, and interest on, all Notes shall automatically become immediately due and payable, as set forth in the Indenture.

Subject to the terms and conditions of the Indenture, the Company will make or cause the Paying Agent to make all payments and deliveries in respect of the principal amount on the Maturity Date, the Redemption Price, the Repurchase Price and the Fundamental Change Repurchase Price, as the case may be, to the Holder who surrenders a Note to the Paying Agent to collect such payments in respect of the Note. The Company will pay or cause the Paying Agent to pay cash amounts in money of the United States that at the time of payment is legal tender for payment of public and private debts.

Subject to the terms and conditions of the Indenture, Additional Amounts will be paid in connection with any payments made and deliveries caused to be made by the Company or any successor to the Company under or with respect to the Indenture and the Notes, including, but not limited to, payments of principal (including, if applicable, the Redemption Price, the Repurchase Price and the Fundamental Change Repurchase Price), premium, if any, payments of interest, including any additional interest and payments of cash and/or deliveries of ADSs or any other consideration (together with payments of cash for any Fractional ADS) to ensure that the net amount received by the beneficial owners of the Notes after any applicable withholding or deduction (and after deducting any taxes on the Additional Amounts) will equal the amounts that would have been received by such beneficial owners had no such withholding or deduction been required.

The Indenture contains provisions permitting the Company and the Trustee in certain circumstances, without the consent of the Holders of the Notes, and in certain other circumstances, with the consent of the Holders of not less than a majority in aggregate principal amount of the Notes at the time outstanding, evidenced as in the Indenture provided, to execute supplemental indentures modifying the terms of the Indenture and the Notes as described therein. It is also provided in the Indenture that, subject to certain exceptions, the Holders of a majority in aggregate principal amount of the Notes at the time outstanding may on behalf of the Holders of all of the Notes waive any past Default or Event of Default under the Indenture and its consequences.

No reference herein to the Indenture and no provision of this Note or of the Indenture shall alter or impair the obligation of the Company, which is absolute and unconditional, to pay or cause to be delivered, as the case may be, the principal (including the Redemption Price, the Repurchase Price and the Fundamental Change Repurchase Price, if applicable) of, accrued and unpaid interest on, and the consideration due upon conversion of, this Note at the place, at the respective times, at the rate and in the lawful money or ADSs, as the case may be, herein prescribed.

The Notes are issuable in registered form without interest coupons in denominations of US\$1,000 principal amount and integral multiples thereof. At the office or agency of the Company referred to on the face hereof, and in the manner and subject to the limitations provided in the Indenture, Notes may be exchanged for a like aggregate principal amount of Notes of other authorized denominations, without payment of any service charge but, if required by the Company or Trustee, with payment of a sum sufficient to cover any transfer or similar tax that may be imposed in connection therewith as a result of the name of the Holder of the new Notes issued upon such exchange of Notes being different from the name of the Holder of the old Notes surrendered for such exchange.

The Company may not redeem the Notes prior to the Maturity Date, except in the event of certain Changes in Tax Law as described in Section 16.01 of the Indenture. No sinking fund is provided for the Notes.

The Holder has the right, at such Holder's option, to require the Company to repurchase for cash all of such Holder's Notes or any portion thereof (in principal amounts of US\$1,000 or integral multiples thereof) on each Repurchase Date at a price equal to the Repurchase Price.

Upon the occurrence of a Fundamental Change, the Holder has the right, at such Holder's option, to require the Company to repurchase for cash all of such Holder's Notes or any portion thereof (in principal amounts of US\$1,000 or integral multiples thereof) on the Fundamental Change Repurchase Date at a price equal to the Fundamental Change Repurchase Price.

Subject to the provisions of the Indenture, the Holder hereof has the right, at its option, prior to the close of business on the third Scheduled Trading Day immediately preceding the Maturity Date, to convert any Notes or portion thereof that is US\$1,000 principal amount of Notes or an integral multiple thereof, into cash, ADSs or a combination of cash and ADSs, as applicable, at the Conversion Rate specified in the Indenture, as adjusted from time to time as provided in the Indenture.

Terms used in this Note and defined in the Indenture are used herein as therein defined.

ABBREVIATIONS

The following abbreviations, when used in the inscription of the face of this Note, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM = as tenants in common

UNIF GIFT MIN ACT = Uniform Gifts to Minors Act

CUST = Custodian

TEN ENT = as tenants by the entirety

JT TEN = joint tenants with right of survivorship and not as tenants in common

Additional abbreviations may also be used though not in the above list.

FORM OF NOTICE OF CONVERSION

To: FinVolution Group
Building G1, No. 999 Dangui Road
Pudong New District, Shanghai 201203
The People's Republic of China

Citibank, N.A., as Conversion Agent

Citibank, N.A., as ADS Depositary
388 Greenwich Street,
New York, New York 10013
Tel. 1-973-461-7174
Email: citi.cspag.debt@citi.com

The undersigned [holder of this Note]⁷ (bearing CUSIP: _____ and ISIN: _____)⁸ hereby exercises the option to convert that Note or the portion thereof (that is US\$1,000 principal amount or an integral multiple thereof) below designated, into cash, ADSs or a combination of cash and ADSs, as applicable, in accordance with the terms of the Indenture referred to in this Note, and directs that any cash payable and/or ADSs deliverable upon such conversion, together with any cash payable for any Fractional ADS, and any Notes representing any unconverted principal amount hereof, be issued and delivered to the holder hereof unless a different name has been indicated below. Terms defined in the Deposit Agreement, the Omnibus Restricted ADS Letter Agreement, the Note Conversion Letter Agreement, the Affiliate Restricted ADS Series Supplement, the Non-affiliate Restricted ADS Series Supplement or the Indenture referred to in this Notice are used herein as so defined. If any ADSs or any portion of this Note not converted are to be issued in the name of a Person other than the undersigned, the undersigned will pay all documentary, stamp, issue, transfer or similar taxes, if any, due because the undersigned requests such ADSs to be issued in a name other than the undersigned, in accordance with Section 14.02(d) and Section 14.02(e) of the Indenture. Any amount required to be paid to the undersigned on account of interest accompanies this Notice. Capitalized terms used herein but not defined shall have the meanings ascribed to such terms in the Indenture.

In connection with the conversion of [this Note, or the portion hereof below designated] [the Notes in the aggregate principal amount below designated], the undersigned acknowledges, represents to and agrees with the Company and the ADS Depositary that the undersigned is not an "affiliate" (as defined in Rule 144 under the Securities Act) of the Company and has not been an "affiliate" (as defined in Rule 144 under the Securities Act) of the Company during the three months immediately preceding the date hereof.

[The undersigned further certifies:

⁷ Insert in case of a conversion of a certificated note.

⁸ Converting bondholder to fill in the security identifiers of the series of Notes being converted.

1. The undersigned acknowledges (and if the undersigned is acting for the account of another person, that person has confirmed that it acknowledges) that the Restricted Securities received upon conversion of this Note (or securities represented thereby) have not been and are not expected to be registered under the Securities Act.

2. The undersigned is a qualified institutional buyer (as defined in Rule 144A under the Securities Act) acting for its own account or for the account of one or more qualified institutional buyers and the undersigned is (or such account or accounts are) the sole beneficial owner(s) of the ADSs to be received upon conversion of the Notes.⁹

3. The undersigned acknowledges that the undersigned (and any such other account) may not continue to hold or retain any interest in Restricted Securities received upon conversion of this Note if the undersigned (or such other account) becomes an affiliate (as defined in Rule 144 under the Securities Act) of the Company.

[4. The undersigned agrees (and if the undersigned is acting for the account of another person, that person has confirmed that it agrees) that, prior to the Resale Restriction Termination Date, the undersigned (and such other account) will not offer, sell, pledge or otherwise transfer the Restricted Security (or securities represented by such Restricted Security or deliverable in lieu thereof) except in accordance with the restrictions set forth in that legend and any applicable securities laws of the United States and any state thereof.]¹⁰

[The undersigned hereby instructs the ADS Depository to register the ADSs in the name of:

- 1. Name of Beneficial Owner to receive ADSs (English): _____
- 2. Address of Beneficial Owner to receive ADSs (English): _____
- 3. Name of Registered Holder of the Deposited Shares: _____
- 4. Number of Deposited Shares: _____
- 5. Number of ADSs to be issued: _____
- 6. Beneficial Owner's Tax ID Number: _____
- 7. Contact Name and Tel No/email address: _____

]¹¹

⁹ Include if a Restricted Security.

¹⁰ Include if a Restricted Security

¹¹ Include if a Restricted Security.

[The undersigned instructs the Depository to deliver the ADRs representing the ADSs to the following account:

ADS Receiving Broker (* are mandatory fields):

-
- a) DTC Broker Name*: _____
 - b) DTC Broker's Participant Account with DTC *: _____
 - c) DTC Broker Contact Name: _____
 - d) DTC Broker Contact Tel No/email: _____
 - e) Beneficial Owner's Account # with DTC Broker*: _____
- OR
- e) Local Broker Name (have account with DTC Broker)*: _____
 - Local Broker Sub-Account # with DTC Broker*: _____
 - Local Broker Contact Name: _____
 - Local Broker Contact Tel No/email: _____

ADS Delivering Party:

Name: Citibank, N.A.
DTC Account: #2655]¹²

Wire Payment Instructions

[•]
For any ADS settlement inquiries, please contact Citibank, N.A. Broker Desk:

Tel: 1-877-CITIADR (1-877-248-4237)
Email: citiadr@citi.com

¹² Include if NOT a Restricted Security. DTC details provided after the RRTD.

Dated: _____

Signature(s)

Signature Guarantee

Signature(s) must be guaranteed by an eligible Guarantor Institution (banks, stock brokers, savings and loan associations and credit unions) with membership in an approved signature guarantee medallion program pursuant to Securities and Exchange Commission Rule 17Ad-15 if ADSs are to be issued, or Notes are to be delivered, other than to and in the name of the registered holder.

Fill in for registration of ADSs if to be issued, and Notes if to be delivered, other than to and in the name of the registered holder:

(Name)

(Street Address)

(City, State and Zip Code)

Please print name and address

Principal amount to be converted (if less than all): US\$ _____,000

NOTICE: The above signature(s) of the Holder(s) hereof must correspond with the name as written upon the face of the Note in every particular without alteration or enlargement or any change whatever.

Social Security or Other Taxpayer
Identification Number

FORM OF FUNDAMENTAL CHANGE REPURCHASE NOTICE

To: FinVolution Group

Citibank, N.A., as Trustee and Paying Agent

The undersigned registered owner of this Note hereby acknowledges receipt of a notice from FinVolution Group (the "Company") as to the occurrence of a Fundamental Change with respect to the Company and specifying the Fundamental Change Repurchase Date and requests and instructs the Company to pay to the registered holder hereof in accordance with Section 15.02 of the Indenture referred to in this Note (1) the entire principal amount of this Note, or the portion thereof (that is US\$1,000 principal amount or an integral multiple thereof) below designated, and (2) if such Fundamental Change Repurchase Date does not fall during the period after a Regular Record Date and on or prior to the corresponding Interest Payment Date, accrued and unpaid interest thereon to, but excluding, such Fundamental Change Repurchase Date. Capitalized terms used herein but not defined shall have the meanings ascribed to such terms in the Indenture.

In the case of Physical Notes, the certificate numbers of the Notes to be repurchased are as set forth below:

Certificate Number(s): _____

Dated: _____

Signature(s)

Signature Guarantee

Wire Instructions

Signature(s) must be guaranteed by an eligible Guarantor Institution (banks, stock brokers, savings and loan associations and credit unions) with membership in an approved signature guarantee medallion program pursuant to Securities and Exchange Commission Rule 17Ad-15 if ADSs are to be issued, or Notes are to be delivered, other than to and in the name of the registered holder. Fill in for registration of ADSs if to be issued, and Notes if to be delivered, other than to and in the name of the registered holder:

(Name)

(Street Address)

(City, State and Zip Code)

Please print name and address

Social Security or Other Taxpayer Identification Number

Principal amount to be repaid (if less than all): US\$_____,000

NOTICE: The above signature(s) of the Holder(s) hereof must correspond with the name as written upon the face of the Note in every particular without alteration or enlargement or any change whatever.

FORM OF REPURCHASE NOTICE

To: FinVolution Group
Citibank, N.A., as Trustee

The undersigned registered owner of this Note hereby acknowledges receipt of a notice from FinVolution Group (the “Company”) regarding the right of Holders to elect to require the Company to repurchase the entire principal amount of this Note, or the portion thereof (that is US\$1,000 principal amount or an integral multiple thereof) below designated, in accordance with the applicable provisions of the Indenture referred to in this Note, at the Repurchase Price to the registered Holder hereof.

In the case of certificated Notes, the certificate numbers of the Notes to be purchased are as set forth below:

Certificate Number(s): _____

Signature Guarantee

Wire Instructions

Signature(s) must be guaranteed by an eligible Guarantor Institution (banks, stock brokers, savings and loan associations and credit unions) with membership in an approved signature guarantee medallion program pursuant to Securities and Exchange Commission Rule 17Ad-15

Dated: _____

Signature(s)

Social Security or Other Taxpayer
Identification Number

Principal amount to be repaid (if less than all): US\$ _____,000

NOTICE: The above signature(s) of the Holder(s) hereof must correspond with the name as written upon the face of the Note in every particular without alteration or enlargement or any change whatever.

To: Citibank, N.A., as Trustee and as Note Registrar

FORM OF ASSIGNMENT AND TRANSFER

For value received _____ hereby sell(s), assign(s) and transfer(s) unto _____ (Please insert social security or Taxpayer Identification Number of assignee) the within Note, and hereby irrevocably constitutes and appoints _____ attorney to transfer the said Note on the books of the Company, with full power of substitution in the premises.

In connection with any transfer of the within Note occurring prior to the Resale Restriction Termination Date, as defined in the Indenture governing such Note, the undersigned confirms that such Note is being transferred:

- To FinVolution Group or a subsidiary thereof; or
- Pursuant to a registration statement that has become or been declared effective under the Securities Act of 1933, as amended; or
- Pursuant to and in compliance with Rule 144A under the Securities Act of 1933, as amended;
- Outside the United States in accordance with Regulation S under the Securities Act of 1933, as amended; or
- Pursuant to and in compliance with Rule 144 under the Securities Act of 1933, as amended (if available).

Dated: _____

Signature(s)

Signature Guarantee

Signature(s) must be guaranteed by an eligible Guarantor Institution (banks, stock brokers, savings and loan associations and credit unions) with membership in an approved signature guarantee medallion program pursuant to Securities and Exchange Commission Rule 17Ad-15 if Notes are to be delivered, other than to and in the name of the registered holder.

NOTICE: The signature on the assignment must correspond with the name as written upon the face of the Note in every particular without alteration or enlargement or any change whatever.

FinVolution Group

Authorization Certificate

I, [●], [●], acting on behalf of FinVolution Group (the “*Company*”) hereby certify that:

(A) the persons listed below are (i) authorized Officers of the Company for purposes of the Indenture (the “*Indenture*”) dated as of June 24, 2025 between the Company and Citibank, N.A., as trustee, in relation to the 2.50% Convertible Senior Notes due 2030 (the “*Notes*”), (ii) duly elected or appointed, qualified and acting as the holder of the respective office or offices set forth opposite their names and (iii) the duly authorized persons who executed or will execute the Indenture and the Notes issued pursuant to the Indenture by their manual or facsimile signatures and were at the time of such execution, duly elected or appointed, qualified and acting as the holder of respective office or the offices set forth opposite their names;

(B) each of the individuals listed below have the authority to receive call backs at the telephone numbers as provided here upon request of Citibank, N.A. in connection with the Notes issued pursuant to the Indenture:

[●]: Email: [], Phone: []; and

[●]: Email: [], Phone: [].

(C) each signature appearing below is the person’s genuine signature; and

(D) attached hereto as Schedule I is a true, correct and complete specimen of the certificates representing the Notes.

Authorized Officers

<u>Name</u>	<u>Title</u>	<u>Signature</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____

[Signature page to Authorization Certificate]

IN WITNESS WHEREOF, I have hereunto signed my name this _____ day of _____ 2025.

FINVOLUTION GROUP

By: _____

Name:

Title:

[signature page to Authorization Certificate]

Principal Subsidiaries, Consolidated Variable Interest Entities and Subsidiaries of Consolidated Variable Interest Entities**Principal Subsidiaries:**

FinVolution (HK) Limited, a Hong Kong company
Bluebottle Limited, a Hong Kong company
Beijing Prosper Investment Consulting Co., Ltd., a PRC company
Shanghai Guangjian Information Technology Co., Ltd., a PRC company
Shanghai Shanghu Information Technology Co., Ltd., a PRC company
Shanghai Manyin Information Technology Co., Ltd., a PRC company
Hainan Shanghu Information Technology Co., Ltd., a PRC company
PT Pembiayaan Digital Indonesia, an Indonesia company
Wefund Lending Corp, a Philippine company

Consolidated Variable Interest Entities:

Beijing Paipairongxin Investment Consulting Co., Ltd., a PRC company
Shanghai Zihe Information Technology Group Co., Ltd., a PRC company
Shanghai Ledao Technology Co., Ltd., a PRC company

Subsidiaries of Consolidated Affiliated Entities:

Shanghai PPDai Financial Information Services Co., Ltd., a PRC company
Hefei PPDai Information Technology Co., Ltd., a PRC company
Fujian Zhiyun Financing Guarantee Co., Ltd., a PRC company
Shanghai Erxu Information Technology Co., Ltd., a PRC company

**Certification by the Principal Executive Officer
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002**

I, Tiezheng Li, certify that:

1. I have reviewed this annual report on Form 20-F of FinVolution Group;
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(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the company and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the company's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the company's internal control over financial reporting; and
5. The company's other certifying officer(s) 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, 2026

By: /s/ Tiezheng Li
Name: Tiezheng Li
Title: Chief Executive Officer

**Certification by the Principal Financial Officer
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002**

I, Jiayuan Xu, certify that:

1. I have reviewed this annual report on Form 20-F of FinVolution Group;
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(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the company and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the company's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the company's internal control over financial reporting; and
5. The company's other certifying officer(s) 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, 2026

By: /s/ Jiayuan Xu
Name: Jiayuan Xu
Title: Chief Financial Officer

**Certification by the Principal Executive Officer
Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002**

In connection with the annual report of FinVolution Group (the “Company”) on Form 20-F for the year ended December 31, 2025 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Tiezheng Li, Chief Executive Officer of the Company, hereby 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, 2026

By: /s/ Tiezheng Li
Name: Tiezheng Li
Title: Chief Executive Officer

**Certification by the Principal Financial Officer
Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002**

In connection with the annual report of FinVolution Group (the "Company") on Form 20-F for the year ended December 31, 2025 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Jiayuan Xu, Chief Financial Officer of the Company, hereby 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, 2026

By: /s/ Jiayuan Xu
Name: Jiayuan Xu
Title: Chief Financial Officer

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the incorporation by reference in the Registration Statements on Form S-8 (No. 333-224011 and 333-274381) of FinVolution Group of our report dated April 29, 2026 relating to the financial statements and the effectiveness of internal control over financial reporting, which appears in this Form 20-F.

/s/ PricewaterhouseCoopers Zhong Tian LLP
Shanghai, the People's Republic of China
April 29, 2026

April 29, 2026

FinVolution Group
Building G1, No. 999 Dangui Road
Pudong New District, Shanghai
People's Republic of China

Dear Sirs,

Re: The Annual Report of FinVolution Group

We hereby consent to the references to our firm under the sections entitled “Item 3. Key Information—D. Risk Factors—Risks Related to Our Corporate Structure”, “Item 3. Key Information—Permissions Required from the PRC Authorities for Our Operations” and “Item 4. Information on the Company—C. Organizational Structure” included in the Annual Report on Form 20-F for the year ended December 31, 2025 (the “Annual Report”), which is filed by FinVolution Group with the Securities and Exchange Commission (the “SEC”) on April 29, 2026 under the Securities Act of 1933, as amended, and further consent to the incorporation by reference of the summaries of our opinions under these headings into FinVolution Group’s registration statements on Form S-8 (No. 333-224011 and 333-274381). We also consent to the filing with the SEC of this consent letter 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, as amended, or the regulations promulgated thereunder.

Sincerely yours,

/s/ Shanghai Hui Ye Law Firm

FinVolution Group
Building G1, No. 999 Dangui Road
Pudong New District, Shanghai 201203
The People's Republic of China

29 April 2026

Dear Sir or Madam

FinVolution Group

We have acted as legal advisers as to the laws of the Cayman Islands to FinVolution Group, an exempted company with limited liability incorporated in the Cayman Islands (the "**Company**"), in connection with the filing by the Company with the United States Securities and Exchange Commission (the "**SEC**") of an annual report on Form 20-F for the year ended 31 December 2025 (the "**Annual Report**"), which will be filed with the SEC in the month of April 2026.

We consent to the reference to our firm under the heading "Item 3. Key Information - Enforceability of Civil Liabilities" in the Annual Report. We consent to the incorporation by reference of our opinion regarding the legality of certain ordinary shares being registered into the Company's registration statement on Form S-8 (File No. 333-224011) that was filed on 29 March 2018, and the Company's registration statement on Form S-8 (File No. 333-274381) that was filed on 7 September 2023. We also consent to the filing with the SEC of this consent letter 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.

Yours faithfully

/s/ Maples and Calder (Hong Kong) LLP
