
RELATED PARTY TRANSACTIONS

We are seeking a [REDACTED] on the Hong Kong Stock Exchange pursuant to Chapter 19C of the Hong Kong Listing Rules. Pursuant to Rule 19C.11 of the Hong Kong Listing Rules, Chapter 14A of the Hong Kong Listing Rules, governing connected transactions, does not apply to us. The following discussion of related party transactions has been prepared pursuant to the requirements of Form 20-F of the SEC, and is included in this document for disclosure purposes only.

CONTRACTUAL ARRANGEMENTS

PRC laws limit foreign ownership in businesses related to (i) provision of value-added telecommunications services in China, including internet information provision services; (ii) micro lending; and (iii) financing guarantee. Due to these restrictions, we operate our relevant business through contractual arrangements with the Principal VIEs. See section headed "Contractual Arrangements."

SHAREHOLDERS AGREEMENT

We entered into our shareholders agreement on September 10, 2018 with our shareholders, which consist of holders of ordinary shares and preferred shares. The shareholders agreement provides for certain special rights, including right of first refusal, co-sale rights, preemptive rights and contains provisions governing the Board and other corporate governance matters. Those special rights, as well as the corporate governance provisions, were automatically terminated upon the completion of our initial public offering and listing on Nasdaq in December 2018.

We have granted certain registration rights to our shareholders pursuant to the shareholders agreement. Set forth below is a description of the registration rights granted under the agreement.

- (a) *Demand registration rights.* Holders of at least 20% or more of the registrable securities then outstanding have the right to demand that we file a registration statement covering at least 20% or more of the registrable securities. We have the right to defer filing of a registration statement for a period of not more than 90 days after the receipt of the request of the initiating holders if we furnish to the holders requesting registration a certificate signed by our president or chief executive officer stating that in the good faith judgment of our Board, it would be materially detrimental to us and our shareholders for such registration statement to be filed at such time. However, we cannot exercise the deferral right more than once in any twelve-month period. We are obligated to effect no more than one registration other than piggyback registration for every 5% of our outstanding share capital on a fully-diluted (by treasury method) basis held by the holders, such percentage to be calculated as of the date immediately following the date of our shareholders agreement.

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- (b) *Piggyback registration rights.* If we propose to file a registration statement for a public offering of our securities, we must offer our shareholders an opportunity to include in the registration all or any part of the registrable securities held by such holders. If the managing underwriters of any underwritten offering determine in good faith that marketing factors require a limitation of the number of shares to be underwritten, the number of shares that may be included in the registration and the underwriting shall be allocated first to us, second to each of such holders requesting for the inclusion of their registrable securities on a pro rata basis, and third to holders of other securities of ours.
- (c) *Form F-3 registration rights.* Holders of at least 20% or more of the registrable securities then outstanding may request us in writing to file an unlimited number of registration statements on Form F-3. We shall effect the registration of the securities on Form F-3 as soon as practicable, except in certain circumstances.
- (d) *Expenses of registration.* We will bear all registration expenses, other than the underwriting discounts, selling commissions and ADS issuance fees applicable to the sale of registrable securities.
- (e) *Termination of obligations.* We have no obligation to effect any demand, piggyback or Form F-3 or Form S-3 registration immediately after (i) the second anniversary after the occurrence of our initial public offering as defined in the shareholders agreement, or (ii) if, in the opinion of counsel to us, all such registrable securities proposed to be sold may then be sold without registration in any 90-day period pursuant to Rule 144 promulgated under the Securities Act.

TRANSACTIONS WITH 360 GROUP

360 Group is our important business partner. It is considered our related party as it is controlled by Mr. Hongyi Zhou, the chairman of our Board and principal shareholder. We transacted with several entities of 360 Group during the fiscal years 2019, 2020 and 2021, and the six months ended June 30, 2022. 360 Group is one of our borrower acquisition channels, and it provides advertising services to promote our products and general brand through its matrix of mobile applications and services, such as 360 Browser and 360 Mobile Assistant. Advertising services are calculated and charged to us under different formula depending on the form of advertisements, including cost per time (CPT), cost per click (CPC), cost per thousand impression (CPM), cost per action (CPA) and cost per sale (CPS).

For the six months ended June 30, 2022, services provided by 360 Group entities were RMB96.9 million. As of June 30, 2022, RMB152.2 million was due to 360 Group entities, and RMB1.8 million was due from them.

In 2021, services provided by 360 Group entities were RMB168.4 million. As of December 31, 2021, RMB163.1 million was due to 360 Group entities, and RMB1.8 million was due from them.

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In 2020, services provided by 360 Group entities were RMB115 million. As of December 31, 2020, RMB32 million was due to 360 Group entities, and RMB3 million was due from them.

In 2019, services provided by 360 Group entities were RMB103 million. As of December 31, 2019, RMB41 million was due to 360 Group entities, and RMB1 million was due from them.

In September 2020, one 360 Group entity transferred to us part of its equity interest in a joint venture company it established with an independent third party. After the equity transfer, we and the 360 Group entity hold 25% and 26% of the equity interest in the joint venture entity, respectively. As part of the arrangement, we are responsible for assisting the joint venture entity in achieving certain performance targets but are not obligated to make whole the loss of the joint venture entity. We accounted for the equity investment using alternative measurement, and the carrying amount as of December 31, 2020 and 2021, and as of June 30, 2022, was nil.

In October 2020, we established a joint venture company in Shanghai, China through Shanghai Qiyu together with one of 360 Group entities and an independent third party, to develop and build the regional headquarters and the affiliated industrial park for 360 Group. The 360 Group entity and us hold 30% and 40% of the equity interests of the joint venture, respectively. In December 2021, we, through Shanghai Qiyu, entered into an equity transfer agreement with the 360 Group entity, pursuant to which Shanghai Qiyu acquired all the 30% equity interests owned by the 360 Group entity in the joint venture entity. Following the completion of the transactions, we hold 70% of the equity interests in the joint venture entity and became its controlling shareholder. Pursuant to the joint venture agreement, the shareholders will contribute initial funding for acquisition of land use rights and funds required for subsequent developments will be mainly financed by external financings with any remaining shortfall funded by the shareholders ratably in proportion to their respective equity interest ownership. We accounted for the investment using equity method. As of June 30, 2022, a total of RMB1.0 billion was contributed by the shareholders to acquire land use rights, of which RMB0.3 billion was funded by non-controlling shareholder.

Framework Collaboration Agreement

We have entered into a framework collaboration agreement with 360 Group in July 2018, pursuant to which:

- *Collaboration on research and development.* We will collaborate in depth with 360 Group on research, development and application of cloud computing and artificial intelligence, as well as big data analysis and application.
- *Advertising services and traffic support.* 360 Group will advertise and provide traffic support to our services through placing links which are directed to our website on its matrix of mobile applications and services, including but not limited to 360 Security Assistant (360安全卫士), 360 Mobile Assistant (360手機卫士), 360

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Navigator (360導航), 360 Browser (360瀏覽器) and 360 Search (360搜索). Such services are calculated and charged to us under different formula depending on the form of advertisements with reference to prevailing market prices, and shall be specified in the underlying services agreements.

- *Trademark licensing.* Pursuant to the framework collaboration agreement, 360 Group will license certain trademarks owned by 360 Group and relevant to our businesses to us for our exclusive or non-exclusive use in China (including Hong Kong, Macao Special Administrative Region and Taiwan) for the period of the framework collaboration agreement. In addition, our Group entered into a trademark licensing agreement with 360 Group in July 2021 (the “**Trademark Licensing Agreement**”) to govern the license of certain trademarks by 360 Group to our Group that are either registered or for which registration applications have been filed for fixed fees as agreed between the parties. The license period shall commence on July 1, 2021 and continue in effect until December 31, 2022, subject to an automatic extension of one year if no objection is raised three months prior to the termination date.

Pursuant to the framework collaboration agreement, 360 Group undertakes that it and its related parties (other than our Group) will not conduct loan facilitation services that directly or indirectly compete with us.

In addition, 360 Group agrees that price terms of licensing as well as advertising and promotion it charges to us will be the most favorable within its business partners based on fair market price.

The framework collaboration agreement will remain effective for five years and will be automatically extended for one year thereafter unless 360 Group or we decide to terminate the collaboration.

TRANSACTIONS WITH OTHER RELATED PARTIES

Transactions with Shanghai Qibutianxia

Shanghai Qibutianxia and its subsidiaries are related parties to us, as Shanghai Qibutianxia is an affiliate of Mr. Hongyi Zhou, the chairman of our Board.

We transacted with Shanghai Qibutianxia and its subsidiaries during the fiscal years 2019, 2020 and 2021, and the six months ended June 30, 2022, including receiving loans from Shanghai Qibutianxia, allocating expenses for certain corporate functions historically provided by Shanghai Qibutianxia, and providing borrower referral services to Beijing Qicaitianxia Technology Co., Ltd.

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The following table sets forth the transaction amounts for the transactions between Shanghai Qibutianxia and us for the periods presented.

	Transaction amounts <i>(RMB)</i>
For services provided by Shanghai Qibutianxia and its subsidiaries to us	2019: 25.9 million 2020: 29.3 million 2021: 354.7 million 2022 6M: 221.4 million
For services provided by us to Shanghai Qibutianxia and its subsidiaries	2019: 929.8 million 2020: 126.0 million 2021: 1.4 million 2022 6M: nil
Amounts due from Shanghai Qibutianxia and its subsidiaries to us	2019: 405.5 million 2020: 6.6 million 2021: 0.2 million 2022 6M: 0.2 million
Amounts due from us to Shanghai Qibutianxia and its subsidiaries	2019: 15.1 million 2020: 37.9 million 2021: 40.7 million 2022 6M: 16.3 million
Outstanding loan under joint back-to-back guarantee arrangement with Shanghai Qibutianxia	2019: N/A 2020: 19.3 billion 2021: 11.8 billion 2022 6M: 7.1 billion

Transactions with Jinshang Consumer Finance Co., Ltd.

Jinshang Consumer Finance Co., Ltd. (“**Jinshang**”) is a related party to us, as Jinshang is an affiliate of Mr. Hongyi Zhou, the chairman of our Board.

We transacted with Jinshang during the fiscal years 2019, 2020 and 2021, and the six months ended June 30, 2022 as we provide loan facilitation services and post-facilitation services to Jinshang and charge service fees. Historically, we directly collected payments from borrowers. Starting in 2018, we contractually changed our payment flow model by collecting service fee payments from Jinshang directly.

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The following table sets forth the transaction amounts for the transactions between Jinshang and us for the periods presented.

	Transaction amounts <i>(RMB)</i>
For services provided by us to Jinshang	2019: 103.3 million 2020: 198.6 million 2021: 288.9 million 2022 6M: 99.0 million
Amounts due from Jinshang to us	2019: 50.7 million ⁽¹⁾ 2020: 158.7 million ⁽²⁾ 2021: 194.1 million ⁽³⁾ 2022 6M: 201.0 million ⁽⁴⁾

Notes:

- (1) Among which the amounts due from Jinshang related to loan facilitation and post-facilitation services were RMB32.5 million, net of allowance of RMB18.8 million.
- (2) Among which the amounts due from Jinshang related to loan facilitation and post-facilitation services were RMB66.0 million, net of allowance of RMB6.3 million.
- (3) Among which the amounts due from Jinshang related to loan facilitation and post-facilitation services were RMB135.4 million, net of allowance of RMB15.7 million.
- (4) Among which the amounts due from Jinshang related to loan facilitation and post-facilitation services were RMB117.9 million, net of allowance of RMB17.1 million.

Transactions with Kincheng Bank of Tianjin Co., Ltd.

Kincheng Bank of Tianjin Co., Ltd. (“**Kincheng Bank**”) is a related party to us, as Kincheng Bank is an affiliate of Mr. Hongyi Zhou, the chairman of our Board.

We transacted with Kincheng Bank during the fiscal years 2020 and 2021, and the six months ended June 30, 2022 as we provide loan facilitation services and post-facilitation services to Kincheng Bank and charge service fees.

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The following table sets forth the transaction amounts for the transactions between Kincheng Bank and us for the periods presented.

	Transaction amounts <i>(RMB)</i>
For services provided by us to Kincheng Bank	2020: 15.7 million 2021: 1,880.5 million 2022 6M: 685.7 million
Amounts due from Kincheng Bank to us	2020: 13.5 million ⁽¹⁾ 2021: 771.3 million ⁽²⁾ 2022 6M: 572.3 million ⁽³⁾

Notes:

- (1) Loan facilitation and post-facilitation services was RMB15.1 million, net of allowance of RMB1.1 million.
 - (2) Loan facilitation and post-facilitation services of RMB823.6 million, net of allowance of RMB106.3 million.
 - (3) Loan facilitation and post-facilitation services of RMB490.2 million, net of allowance of RMB108.1 million.
- * We have held bank deposit with Kincheng Bank, which amounted to RMB320 million as of December 31, 2021. For more details, see Note 10 of the Accountants’ Report in Appendix IA.

OTHER RELATED PARTY TRANSACTIONS

Employment agreements and Indemnification Agreements

See “Directors and Senior Management – Compensation – Service Agreements and Indemnification Agreements” for a description of the employment agreements and indemnification agreements we have entered into with our directors and executive officers, which we consider to be related party transactions.

Share Incentive Plans

See “Directors and Senior Management – Compensation – Share Incentive Plans” for a description of the share-based compensation awards we have granted to our Directors and executive officers, which we consider to be related party transactions.