This summary aims to give you an overview of the information contained in this document. As it is a summary, it does not contain all the information that may be important to you and is qualified in its entirety by, and should be read in conjunction with, the full document. You should read the whole document before you decide to invest in the Offer Shares.

There are risks associated with any investment. Some of the particular risks in investing in the Offer Shares are set forth in the section headed "Risk Factors" of this document. You should read that section carefully before you decide to invest in the Offer Shares.

WHO WE ARE TODAY

Established in 2016, we are a Credit-Tech platform in China that provides a comprehensive suite of technology services to assist financial institutions and consumers and SMEs in the loan lifecycle, ranging from borrower acquisition, preliminary credit assessment, fund matching and post-facilitation services, with 360 Jietiao app as our primary user interface. We are dedicated to making credit services more accessible and personalized to consumers and SMEs through Credit-Tech services to financial institutions, whereby we deploy our technology solutions to help financial institutions identify the diversified needs of consumers and SMEs, effectively access prospective borrowers that are creditworthy through multi-channels, enhance credit assessment on prospective borrowers, and manage credit risks and improve collection strategies and efficiency, among others. With user insights distilled from long-term engagement with users across life and business scenarios enabled by AI and data analytics, our technology solutions empower financial institutions across different stages of the loan lifecycle, enabling them to extend the reach of services and satisfy the financing needs of consumers and SMEs, and deliver to users more accessible credit services. In turn, we derive service fees from our technology solutions to financial institutions as our primary source of revenue streams. As of June 30, 2022, we had cumulatively facilitated approximately RMB1,127.5 billion (US$168.3 billion) of loans to 25.6 million borrowers. As of the same date, we had 41.3 million users with approved credit lines, accumulatively. As of June 30, 2022, the outstanding balance of consumer loans facilitated by us reached RMB131.1 billion (US$19.6 billion). With a focus on the consumer Credit-Tech market, we have been gradually expanding our services to the SME Credit-Tech market.

We bear credit risks under credit-driven services, under which we either provide guarantee services against potential default risks for the loans funded by our financial institution partners or fund certain loans through trusts and ABSs or Fuzhou Microcredit. As of June 30, 2022, the outstanding loan balance under credit-driven services was RMB67.9 billion (US$10.1 billion). As of June 30, 2022, we recorded guarantee liabilities-contingent for off-balance sheet loans facilitated under credit-driven services of RMB3.3 billion (US$496 million). During the Track Record Period, our repayments to financial institution partners relating to guarantee liabilities-contingent, net of subsequent recoveries from the borrowers, were RMB2.9 billion, RMB3.9 billion, RMB3.3 billion and RMB2.1 billion (US$318 million) in 2019, 2020, 2021 and the six months ended June 30, 2022, respectively.

Drawing on our proprietary technologies, we brought forth an intuitive digital platform enabling financial institutions to offer borrowers revolving lines of credit with flexible loan tenors, available through convenient application processes on our platform. Prospective borrowers are able to obtain a line of credit and select from our diversified loan product portfolio the one that best fits their needs typically within a few minutes after the application is submitted. In this timeframe, our system on the back-end is able to complete credit profiling and fraud detection on a given prospective borrower, matching such borrower and our financial institution partners based on their risk preferences, as well as assisting our financial institution partners in advanced credit assessment and final credit approval. For the six months ended June 30, 2022, 97% of our user profiling and evaluation is automatically completed via AI-enabled algorithms.

Our value proposition is to connect financial institutions and borrowers through our technology innovations, transforming credit services in a way that is more accessible to consumers and SMEs, while empowering financial institutions across different stages of the loan lifecycle. In particular, we believe our services provide substantial value to the following industry participants:

- **Financial institution partners.** We offer technology-driven services, empowering our financial institution partners with an efficient online lending process. Our technology infrastructure seamlessly integrates with those of our financial institution partners, providing them a wide range of technology solutions that collectively deliver real-time automatic borrower acquisition as well as enhanced credit screening, post-facilitation services and other aspects of operations. We avail our financial institution partners of a rapidly growing base of quality borrowers, an expanded scale of credit assets and improved risk-adjusted returns. As of June 30, 2022, we had established partnerships with a total of 133 financial institutions cumulatively, including national and regional banks and consumer finance companies which are non-banking financial institutions that provide loans to individuals for the purpose of consumption.

- **Consumers.** We target the large and growing population of consumers whose credit demands are underserved or unserved by traditional financial institutions. Such population typically has limited credit history and stable income with promising growth potentials and has great user lifetime values. However, in lack of effective measures to screen off the risk associated therewith, credit services from traditional financial institutions have not effectively penetrated this group. Leveraging our advanced technology and credit profiling capabilities, we are able to effectively identify users with low delinquency risks and convert them into borrowers, thereby enabling financial institutions to extend their borrower reach while availing these borrowers of suitable, easy-to-access financial products with sufficient lines of credit, reasonable pricing and high levels of flexibility. We believe we are chosen by our users because of our well-established industry reputation and the convenient, fast, intuitive and transparent user experience that we offer through our platform.

- **SMEs.** Since late 2020, we have begun facilitating tailored loan products to quality SMEs. We believe this group is unserved or underserved by traditional financial institutions, which typically focus on providing services to larger enterprises with a long credit history and operating track record, and with tangible collateral for loans. Drawing on our data analytics and credit profiling capabilities, we are equipped to identify those SMEs who are less likely to carry delinquency risks despite their lack of sufficient credit records and tangible collaterals, and convert them into borrowers of our financial institution partners. The tailored products extended through our platform are flexible, collateral-free and satisfactory to the SMEs' credit needs.

Our Services

We offer diverse services to our partners and users. Our services are generally categorized into either credit-driven services or platform services based on the nature of services and the level of credit risks associated therewith. In each type of these services, regardless of the level of credit risks involved, we empower partners and users with an efficient lending/borrowing process, improved credit assessment and enhanced lending/borrowing experience.

- **Credit-driven services.** We match prospective borrowers with financial institutions and empower financial institutions in borrower acquisition, credit assessment, fund matching and post-facilitation services. Loan products offered under this line of services are, in most cases, funded by our financial institution partners to whom we provide guarantee services against potential default risks, with the remainder extended by trusts and ABSs or Fuzhou Microcredit, which is licensed to conduct micro-lending business in China. As we provide guarantees against potential defaults or fund certain loans through trusts and ABSs or Fuzhou Microcredit, we bear credit risks under credit-driven services.

- **Platform services.** Tailoring to our financial institution partners' diverse needs, we provide customized technology solutions at different stages of the loan lifecycle, such as borrower acquisition, credit assessment, fund matching and post-facilitation services. Specifically, our platform services include comprehensive loan facilitation and post-facilitation services under the capital-light model, intelligent marketing services to financial institution partners under Intelligence Credit Engine (ICE), referral services and risk management SaaS. We currently do not take credit risk under platform services. See "Business – Our Services – Platform services" for more details. For the year ended December 31, 2021 and the six months ended June 30, 2022, loans facilitated by us under platform services accounted for approximately 54.4% and 54.8% of our total loan facilitation volume, respectively.

  - ***Capital-light model.*** Under the capital-light model, we facilitate transactions between prospective borrowers and our financial institution partners through a comprehensive suite of technology-enabled services spanning the loan lifecycle, from borrower acquisition, technology empowerment in credit assessment to post-facilitation services such as loan performance monitoring and loan collection. For loans facilitated under the capital-light model, we generate income through service fees charged to financial institution partners according to pre-negotiated terms. As of June 30, 2022, we had worked with 56 financial institution partners under the capital-light model, cumulatively.

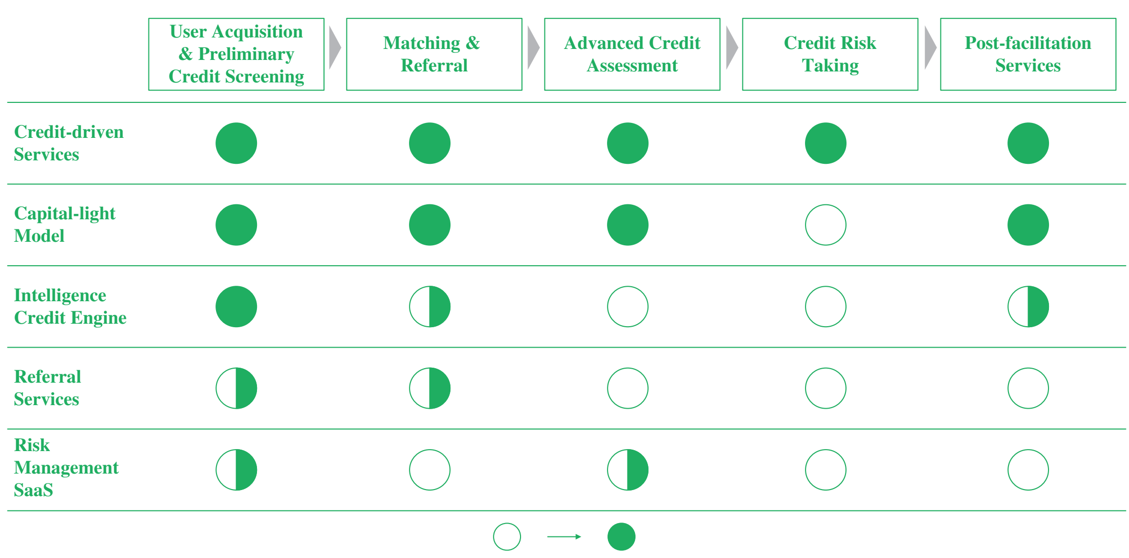
- ***Intelligence Credit Engine (ICE).*** ICE is an open platform that offers financial institutions intelligent marketing services. We match prospective borrowers and our financial institution partners leveraging user analytics and cloud computing technologies, and assist financial institution partners with preliminary credit screening of borrowers. We earn pre-negotiated service fees from financial institution partners and do not bear credit risks.

- ***Referral services.*** We refer some users on our platform who do not fit our financial institution partners' risk preference to certain online lending companies, and earn referral fees.

- ***Risk management SaaS.*** In 2020, we began offering financial institutions on-premise deployed, modular risk management SaaS to empower them to acquire borrowers and improve credit assessment results. Under this model, we typically take technology service fees or consulting fees for the corresponding technology solutions elected by the financial institutions.

The chart below illustrates our level of involvement spanning different stages of the loan lifecycle by service type.

Our Services



The following table presents our operating data related to credit-driven services and platform services, respectively, for the years ended or as of December 31, 2019, 2020 and 2021 and for the six months ended or as of June 30, 2021 and 2022:

	For the year ended/As of December 31,												For the six months ended/As of June 30,							
	2019				2020				2021				2021				2022			
	Loan facilitation volume	*%*	*Ending balance*	*%*	*Loan facilitation volume*	*%*	*Ending balance*	*%*	*Loan facilitation volume*	*%*	*Ending balance*	*%*	*Loan facilitation volume*	*%*	*Ending balance*	*%*	*Loan facilitation volume*	*%*	*Ending balance*	*%*
	(in RMB millions, except for percentages)																			
Credit-driven services	171,422	86.1	58,086	80.1	177,234	71.8	62,718	68.1	162,878	45.6	64,720	45.6	75,719	46.6	59,373	50.5	89,004	45.2	67,910	45.1
Platform services	27,649	13.9	14,427	19.9	69,524	28.2	29,357	31.9	194,225	54.4	77,268	54.4	86,882	53.4	58,187	49.5	108,110	54.8	82,580	54.9
Total	**199,071**	**100.0**	**72,513**	**100.0**	**246,758**	**100.0**	**92,075**	**100.0**	**357,103**	**100.0**	**141,987**	**100.0**	**162,601**	**100.0**	**117,559**	**100.0**	**197,114**	**100.0**	**150,490**	**100.0**

In terms of accounting treatments, under credit-driven services, we either provide guarantees for loans funded by financial institution partners, which are recorded as off-balance sheet loans, or fund loans through trusts and ABSs or Fuzhou Microcredit, which are record as on-balance sheet loans. Under platform services, all loans facilitated through our platform are recorded as off-balance sheet loans. In terms of revenue recognition, we recognize financing income from on-balance sheet loans over the lifetime of the loans using effective interest method. For the off-balance sheet loans funded by financial institution partners, we recognize revenue from loan facilitation services, revenue from post-facilitation services and revenue from guarantee services (only applicable to off-balance sheet loans facilitated under credit-driven services). Please refer to "Financial Information – On- and Off-Balance Sheet Treatment of Loans" and "Financial Information – Key Line Items And Specific Factors Affecting Our Results of Operations – Net revenue" for details. The table below sets forth details of the balance of outstanding on-balance sheet loans and off-balance sheet loans as of the dates indicated.

	As of December 31,						As of June 30,			
	2019		2020		2021		2021		2022	
	Outstanding Loan Balance	*%*	*Outstanding Loan Balance*	*%*	*Outstanding Loan Balance*	*%*	*Outstanding Loan Balance*	*%*	*Outstanding Loan Balance*	*%*
	(RMB in millions, except for percentages)									
On-balance sheet loan	**9,394**	**13.0**	**7,893**	**8.6**	**13,349**	**9.4**	**9,917**	**8.4**	**15,501**	**10.3**
through trusts and ABSs	9,237	12.8	6,606	7.2	10,476	7.4	8,028	6.8	10,152	6.7
through Fuzhou Microcredit	158	0.2	1,287	1.4	2,873	2.0	1,889	1.6	5,348	3.6
Off-balance sheet loan	**63,119**	**87.0**	**84,182**	**91.4**	**128,639**	**90.6**	**107,643**	**91.6**	**134,989**	**89.7**
Total	**72,513**	**100.0**	**92,075**	**100.0**	**141,987**	**100.0**	**117,559**	**100.0**	**150,490**	**100.0**

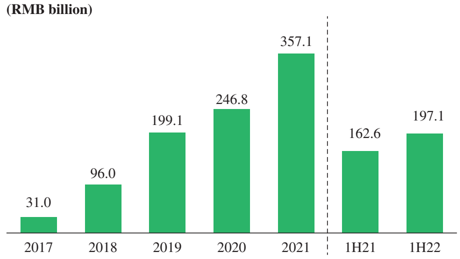
Our Business Scale

We have experienced rapid and continuous growth since inception. As of June 30, 2022, we had 41.3 million users with approved credit lines in the aggregate and had cumulatively served 25.6 million borrowers. As of June 30, 2022, we had cumulatively facilitated approximately RMB1,127.5 billion (US$168.3 billion) of loans with an outstanding loan balance of RMB150.5 billion (US$22.5 billion).

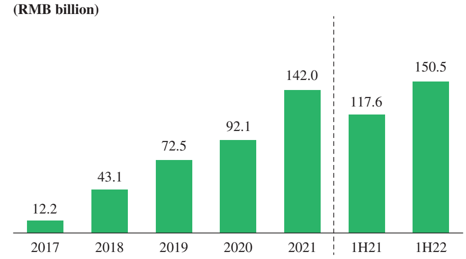
Our total net revenue increased by 47.1% from approximately RMB9.2 billion in 2019 to approximately RMB13.6 billion in 2020, and further by 22.6% to approximately RMB16.6 billion in 2021. Our total net revenue increased by 11.9% from RMB7.6 billion in the six months ended June 30, 2021 to RMB8.5 billion (US$1.3 billion) in the same period of 2022. We generated net income of RMB2.5 billion, RMB3.5 billion, RMB5.8 billion, RMB2.9 billion and RMB2.1 billion (US$321 million) in 2019, 2020, 2021 and the six months ended June 30, 2021 and 2022, respectively.

The graph below displays the loan facilitation volume, outstanding loan balance, cumulative number of users with approved credit lines, cumulative number of borrowers, total net revenue and net income from 2017 to 2021 and for the six months ended June 30, 2021 and 2022.

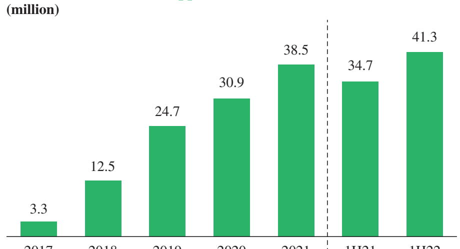
Loan Facilitation Volume
(RMB billion)



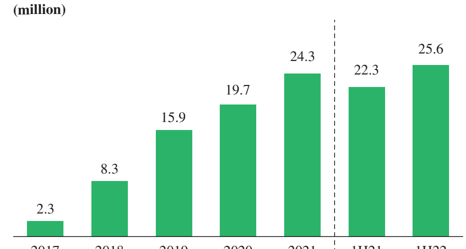
Outstanding Loan Balance
(RMB billion)



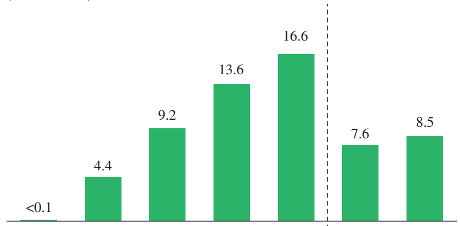
Cumulative Users with Approved Credit Lines
(million)



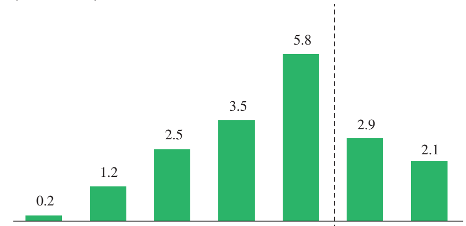
Cumulative Borrowers
(million)



Total Net Revenue
(RMB billion)



Net Income
(RMB billion)



Operating Data Relating to Our Users

The table below presents the number of consumer borrowers and key features of loans for our consumer borrowers during the Track Record Period.

	For the Year ended December 31,			For the Six Months ended June 30,
	2019	2020	2021	2022
Number of Borrowers[1] (in millions)	11.6	9.9	10.2	5.3
Typical Drawdown Amount (in RMB)	500~ 200,000	500~ 200,000	500~ 200,000	500~ 200,000
Average Single Drawdown Amount[2] (in RMB)	4,360	5,303	5,781	7,707
Range of Loan Tenor (months)	1~24	1~24	1~36	1~36
Average Loan Tenor (months)	7.9	9.7	10.3	11.2
Nominal APR[3]	16.6%	15.3%	15.0%	12.9%
Effective APR[4]	28.8%	27.2%	26.0%	23.0%

Notes:

(1) "Number of Borrowers" refers to the number of borrowers who made at least one loan drawdown during the specified period.

(2) Average single drawdown amount data excludes (i) loans facilitated under risk management SaaS, for which we do not have the relevant information of the number of borrowers and incidences of their drawdowns as these are loans approved and managed by our financial institution partners themselves, and (ii) v-pocket product, which is a virtual credit card product that allows for multiple, frequent and small-amount drawdowns and which does not represent the typical and representative loan products offered through our platform. The data for 2019 and 2020 also exclude loans facilitated under ICE which represented a relatively small portion of total loan facilitation volume and hence were not included in the average drawdown amount calculation for our business monitoring purpose.

(3) The annualized rate for borrowing, calculated by the average monthly payment of all-in interest costs and other fees paid by borrowers, divided by the initial loan facilitation amount, multiplied by 12. The nominal APR data excludes loans facilitated under risk management SaaS and ICE.

(4) Effective APR data for 2021 and 2022 are calculated through the IRR methodology, while those for 2019 and 2020 are not. The PBOC only disclosed the official IRR calculation methodology in March 2021 and we are not able to trace the IRR metric in 2019 and 2020. The effective APR for 2021 and 2022 is the annualized internal rate of return, or IRR, at which the net present value of all ordinary cash outflows (e.g., the principal of loans) and ordinary cash inflows (e.g., the principal repayment, the interest income, the loan facilitation service fees, and other income) from a loan or a group of loans equals zero, assuming all the cash inflows other than interest income are received at the beginning of the period. The effective APR for 2019 and 2020 is calculated as nominal APR divided by the loan duration and multiplied by the loan tenor. The effective APR data excludes loans facilitated under risk management SaaS and ICE.

The table below presents the number of SME borrowers and key features of loans for our SME borrowers during the Track Record Period.

	For the Year ended December 31,	For the Six Months ended June 30,
	2021	2022
Number of Borrowers[1] (in millions)	0.4	0.3
Typical Drawdown Amount (in RMB)	500~ 1,000,000	500~ 1,000,000
Average Single Drawdown Amount[2] (in RMB)	19,023	23,245
Range of Loan Tenor (months)	1~36	1~36
Average Loan Tenor (months)	14.0	14.1
Nominal APR[3]	14.5%	13.9%
Effective APR[4]	23.8%	22.6%

Notes:

(1) "Number of Borrowers" refers to the number of borrowers who made at least one loan drawdown during the specified period.

(2) Average single drawdown amount data excludes loans facilitated under risk management SaaS, for which we do not have the relevant information of the number of borrowers and incidences of their drawdowns as these are loans approved and managed by our financial institution partners themselves.

(3) The annualized rate for borrowing, calculated by the average monthly payment of all-in interest costs and other fees paid by borrowers, divided by the initial loan facilitation amount, multiplied by 12. The nominal APR data excludes loans facilitated under risk management SaaS and ICE.

(4) The effective APR for 2021 and 2022 is the annualized internal rate of return, or IRR, at which the net present value of all ordinary cash outflows (e.g., the principal of loans) and ordinary cash inflows (e.g., the principal repayment, the interest income, the loan facilitation service fees, and other income) from a loan or a group of loans equals zero, assuming all the cash inflows other than interest income are received at the beginning of the period. The effective APR data excludes loans facilitated under risk management SaaS and ICE.

For more details, please refer to "Business – Our Services – Products offered to users."

OUR CREDIT PERFORMANCE

We monitor the credit performance of loans facilitated under both credit-driven services and platform services to evaluate and improve our technology services offered to financial institution partners in preliminary credit assessment. We use 30 day+ and 90 day+ delinquency rates as key metrics to evaluate the credit performance of loans. They reflect the loans that are past due between 31 and 180 days and between 91 and 180 days, respectively, as of a specified date. In addition, we view write-off ratio as a supplement to delinquency rates to evaluate the overall credit performance of the loan portfolios as it reflects the net write-off of loans that are past due over 180 days during a given period. Loans that are written-off and loans under Intelligent Credit Engine and other technology solutions are not included in the delinquency rate calculation. Hence, the delinquency rates and the write-off ratio should be read together to assess our credit performance. For all the loans facilitated for which we provide guarantee services and that are written off due to delinquency for over 180 days, we have made the required guarantee repayments to our financial institutions partners pursuant to the guarantee service agreements and there is no further guarantee obligation for such loans.

The table below summarizes the 30 day+ delinquency rate and 90 day+ delinquency rate for all loans facilitated through our platform, including those under credit-driven services and platform services as of the dates indicated, as well as our write-off ratios for the periods indicated.

	For the year ended/As of December 31,			For the six months ended/ As of June 30,
	2019	**2020**	**2021**	**2022**
30 day+ delinquency rate(1)	2.8%	2.5%	3.1%	4.4%
90 day+ delinquency rate(2)	1.3%	1.5%	1.5%	2.6%
Write-off ratio(3)	3.7%	5.3%	4.8%	6.5%(4)

Notes:

(1) 30 day+ delinquency rate is a percentage, which is equal to (i) the outstanding loan balance of on- and off-balance sheet loans facilitated by our Group that are 31 to 180 calendar days past due, divided by (ii) the total outstanding loan balance of on- and off-balance sheet loans facilitated by our Group across our platform as of a specific date; loans that are charged-off and loans under Intelligent Credit Engine and other technology solutions are not included in the delinquency rate calculation.

(2) 90 day+ delinquency rate is a percentage, which is equal to (i) the outstanding loan balance of on- and off-balance sheet loans facilitated by our Group that are 91 to 180 calendar days past due, divided by (ii) the total outstanding loan balance of on- and off-balance sheet loans facilitated by our Group across our platform as of a specific date; loans that are charged-off and loans under Intelligent Credit Engine and other technology solutions are not included in the delinquency rate calculation.

(3) Write-off ratio is calculated by dividing (i) net write-off in a given period, which is the total write-off amount less recovered amount, by (ii) the average of beginning and ending balance of gross loans of such period.

(4) Annualized data for the write-off ratio for the six months ended June 30, 2022.

The overall 30 day+ delinquency rate decreased from 2.8% as of December 31, 2019 to 2.5% as of December 31, 2020, primarily due to the improvement in asset quality of the loan portfolios in fiscal year 2020. The overall 30 day+ delinquency rate increased from 2.5% as of December 31, 2020 to 3.1% as of December 31, 2021, primarily due to the challenging macroeconomic environment, which negatively impacted the loan repayment. The overall 30 day+ delinquency rate increased from 3.1% as of December 31, 2021 to 4.4% as of June 30, 2022, primarily due to the resurgence of COVID-19 pandemic in certain cities of China which resulted in a challenging macroeconomic environment that negatively impacted borrowers' ability to repay on time.

The overall 90 day+ delinquency rate increased from 1.3% as of December 31, 2019 to 1.5% as of December 31, 2020, primarily due to the significant impact of COVID-19 on the asset quality of the loan portfolios in early 2020, despite noticeable improvement in asset quality of the loan portfolios in fiscal year 2020. The overall 90 day+ delinquency rate remained stable at 1.5% as of December 31, 2020 and 2021. The overall 90 day+ delinquency rate increased from 1.5% as of December 31, 2021 to 2.6% as of June 30, 2022, primarily due to the resurgence of COVID-19 pandemic in certain cities of China which resulted in a challenging macroeconomic environment that negatively impacted borrowers' ability to repay on time.

Our write-off ratio increased from 3.7% in 2019 to 5.3% in 2020 primarily due to the impact of COVID-19 on the asset quality of the loan portfolios, especially in the first half of 2020 amidst the height of COVID-19 outbreak, and our write-off ratio decreased from 5.3% in 2020 to 4.8% in 2021 primarily because we have resumed normal operations and managed to deliver solid performance in asset quality of the loan portfolios. The annualized write-off ratio for the six months ended June 30, 2022 was 6.5%, compared to 4.8% in 2021, was mainly attributable to the prolonged impact of COVID-19 on the macroeconomic environment, when negatively affected borrowers' ability to repay the overdue loan. For more details on our credit performance, please refer to "Business – Credit Assessment – Our credit performance."

We assign a credit score category, from Level 1 to Level 4, to each prospective borrower who applies for loan products facilitated by us based on credit score derived from our credit assessment results. Out of the four credit score categories, Level 1 represents the lowest risk and Level 4 represents the highest risk. As of December 31, 2019, 2020 and 2021 and June 30, 2022, 30 day+ and 90 day+ delinquency rates for Level 4 were increasing, respectively, partly because of the continual decrease in loan facilitation volume for loan products offered to borrowers in Level 4 from 2019 to the six months ended June 30, 2022. In particular, for the six months ended June 30, 2022, the loan facilitation volume for loan products offered to borrowers in Level 4 represented 7.1% of the total loan facilitation volume for the same period, compared to 48.8% for the year ended December 31, 2019. As of June 30, 2022, outstanding loan balance for loan products offered to borrowers in Level 4 was RMB20,326 million, representing 13.5% of the total outstanding loan balance as of the same date, compared to 47.4% as of December 31, 2019. For more details, see "Business – Credit Assessment – Our credit performance." The decrease in loan facilitation volume for Level 4 reflected our continuous efforts in optimizing our user base by focusing on higher quality users. See "– Credit Assessment – Proprietary credit scoring and risk models" for more details.

We manage credit risks, which can be reflected by delinquency rates and write-off ratio, by utilizing credit assessment technology solutions that are built upon a comprehensive database, a sophisticated credit profiling engine, the Argus Engine, and an efficient post-facilitation service process. With users' consent to our use of their data, we have developed a comprehensive database comprising a large volume of relevant and reliable information including, among others, a user's credit history, credit lines granted by banks, consumption pattern and past repayment behavior, that are relevant to the assessment of a given user's credit risk against future borrowing. Moreover, the AI-powered Argus Engine helps us effectively build user profile, conduct overall credit assessment for each prospective borrower and detect frauds, thereby lowering the possibility of loan delinquency. In the post-facilitation stage, we optimize the collection process for delinquent loans based on the use of a C-Score that we assign to each borrower in default using the Argus Engine. The C-Score processes data from historical collection efforts to automatically identify the most efficient channel for collection. For more details on how we conduct credit assessment and manage credit risks, see "Business – Credit Assessment." Additionally, we implemented and expect to continue implementing other measures such as optimizing our user base by focusing on higher quality users and enhancing our technology and credit assessment capabilities. We also expect to fine-tune our services and solutions to address financial institution partners' evolving needs and risk preferences. We have scaled down loans facilitated to borrowers with high delinquency risk such as borrowers in Level 4, as evidenced by the decreasing loan facilitation volume for Level 4 over the Track Record Period. By continuously implementing such risk control enhancements, we expect to more effectively manage our risk exposure to borrowers with high delinquency risk such as borrowers in Level 4 in the near future. We currently do not expect to see any increase in the outstanding loan balance for Level 4 as a percentage of the total outstanding loan balance in the near future.

However, as we have a limited operating history, we have not experienced a full credit cycle in China. If economic conditions deteriorate, we may face an increasing risk of default or delinquency of borrowers, which will result in lower returns or even losses. For more details, see "Risk Factors – Risks Related to Our Business and Industry – We have a limited operating history and are subject to credit cycles and the risk of deterioration of credit profiles of borrowers."

OUR STRENGTHS

We believe that the following competitive strengths contribute to our success and growth:

- Distinct competitive edge in a massive and growing market with high entry barrier;
- Strong technology and innovation capabilities;
- Robust credit assessment capabilities repeatedly validated by the market;
- Multichannel and efficient user acquisition with a broad user base;

- Diversified funding sources supported by a broad network of financial institution partners; and

- Experienced management team and entrepreneurial company culture.

OUR GROWTH STRATEGIES

We intend to pursue our mission and vision and grow our business by pursuing the following strategies:

- Further penetrate the consumer Credit-Tech market;

- Advance our technology and risk management empowerment capabilities;

- Further develop our capital-light model and technology solutions;

- Strengthen our partnerships with financial institution partners; and

- Further develop our business in the SME Credit-Tech market.

RISK FACTORS

Our operations and the Global Offering involve certain risks and uncertainties, some of which are beyond our control and may affect your decision to invest in us or the value of your investment. See "Risk Factors" for details of our risk factors, which we strongly urge you to read in full before making an investment in our Shares. Some of the major risks we face include:

- The Credit-Tech industry is rapidly evolving, which makes it difficult to effectively assess our future prospects;

- We are subject to uncertainties surrounding regulations and administrative measures of the loan facilitation business, micro-lending business, financing guarantee business and credit reporting business. If any of our business practices are deemed to be non-compliant with applicable laws and regulations, our business, financial condition and results of operations would be materially and adversely affected;

- The pricing of loans facilitated through our platform may be deemed to exceed interest rate limits imposed by regulations;

- We rely on our proprietary credit profiling model in assessing the creditworthiness of borrowers and the risks associated with loans. If our 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 platform, our reputation and market share would be materially and adversely affected, which would severely impact our business and results of operations; and

- If the PRC government deems that the contractual arrangements in relation to our VIEs 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 SHARE CAPITAL STRUCTURE

As of the Latest Practicable Date, Mr. Zhou, the chairman of our Board, was interested in approximately 14.3% of the total share capital of the Company, representing approximately 75.0% of the aggregate voting power of our total issued and outstanding Shares, after taking into account the super-voting rights of the 39,820,586 Class B ordinary shares controlled by Mr. Zhou through Aerovane Company Limited. Each Class B ordinary share is entitled to 20 votes, and each Class A ordinary share is entitled to one vote on all matters subject to vote at a general meeting of our Company. For further details, see section headed "Share Capital".

Unwinding of our Weighted Voting Rights Structure

Upon the Listing, all the Class B ordinary shares shall be converted into Class A ordinary shares on a one-for-one basis pursuant to the conversion notice delivered by Aerovane Company Limited to the Company. Subsequently, no Class B ordinary shares of the Company will be issued or outstanding upon the Listing.

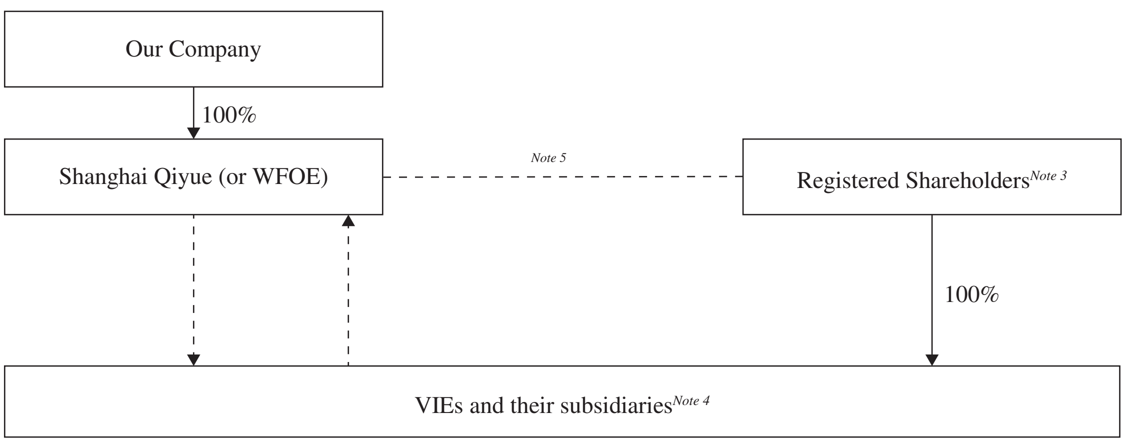
Accordingly, immediately following the completion of the Global Offering and upon the conversion of all the Class B ordinary shares into Class A ordinary shares, Mr. Zhou will be interested in approximately 14.1% of our total issued Shares, representing approximately 14.1% of the aggregate voting power of our total issued and outstanding Shares (excluding the Shares issued and reserved for future issuance upon the exercising or vesting of awards granted under the Share Incentive Plans, and assuming the Over-allotment Option is not exercised and no Shares are issued under the Share Incentive Plans). Accordingly, immediately following the completion of the Global Offering and upon the conversion of all the Class B ordinary shares into Shares, Mr. Zhou will be our largest shareholder upon the Listing. For more information, see sections headed "Relationship with Our Largest Shareholder" and "Major Shareholders."

Furthermore, the Company will convene the First GM within six months after the Listing for the purpose of approving the proposals to amend and restate our Articles of Association to (a) unwind our weighted voting rights structure and (b) comply with the applicable Listing Rules. For further details, see sections headed "Waivers and Exemptions – Requirements Relating to the Articles of Association of our Company" and "Share Capital – Our Voting Structure Before and After the Listing" to this document.

CONTRACTUAL ARRANGEMENTS

Our Company operates in certain industries that are subject to restrictions under current PRC laws and regulations. In order to comply with such laws, while availing ourselves of international capital markets and maintaining effective control over all of our operations, we control our Consolidated Affiliated Entities through the Contractual Arrangements. Hence, we do not directly own any controlling equity stake in our Consolidated Affiliated Entities. Pursuant to the Contractual Arrangements, we have effective control over the financial and operational policies of our Consolidated Affiliated Entities and are entitled to all the economic benefits derived from the Consolidated Affiliated Entities' operations. For further details, please see "Contractual Arrangements" in this document.

The following simplified diagram illustrates the flow of economic benefits from our Consolidated Affiliated Entities to our Company stipulated under the Contractual Arrangements:



Notes:

(1) "⟶" Equity interest

(2) "---▸" Contractual Arrangements

(3) Registered Shareholders refer to the registered shareholders of relevant VIEs.

(4) The VIEs refer to Shanghai Qiyu, Fuzhou Microcredit, Fuzhou Financing Guarantee and Shanghai Financing Guarantee. For details, see "Contractual Arrangements" in this document.

(5) The Registered Shareholders executed, exclusive option agreements, equity interest pledge agreements and voting proxy agreements in favor of our WFOE in respect of the respective VIEs. For details, see "Contractual Arrangements – Summary of the Material Terms of the Contractual Arrangements" in this document.

For the risks relating to the Contractual Arrangements, see the section headed "Risk Factors – Risks Related to our Corporate Structure" of this document for further details.

DEFENSE MECHANISM AGAINST HOSTILE TAKEOVERS

We have implemented a defense mechanism to impede hostile takeovers through a rights agreement. On June 9, 2022, our Board declared a dividend of a right purchase to one Share (or any other share resulting from successive changes or reclassifications of the Shares) (a "**Right**") for each of our ordinary shares outstanding at the close of business on June 17, 2022, pursuant a rights agreement.

Under the rights agreement, all outstanding ordinary shares of our Company at the close of business on June 17, 2022 have attached Rights. As long as the Rights are attached to the ordinary shares, we will issue one Right (subject to adjustment) with each new ordinary share so that all ordinary shares, including any new shares to be issued in this Global Offering, will have attached Rights. The Right will become exercisable if a person or a group of affiliated or associated persons (i) acquires or obtains the right to acquire (subject to certain exceptions) beneficial ownership of 10% of the outstanding ordinary shares of the Company (such person or group, an "**Acquiring Person**") or (ii) commences a tender offer or exchange offer that would result in such person or group becoming an Acquiring Person. When exercisable, each Right will entitle the registered holder, except the Acquiring Person, to purchase from us a number of Shares (or any other share resulting from successive changes or reclassifications of the Shares), for the price of US$36.00 (the "**Purchase Price**"), having a then-current market value of twice the Purchase Price, subject to adjustment. Rights issued to, or held by, any person or group who is, was, or becomes an Acquiring Person, whether currently held by or on behalf of such person or group or by any subsequent holder, will become null and void. As a result, the Acquiring Person (and the shareholders who choose not to exercise the Rights) will be greatly diluted if most of other existing shareholders choose to exercise the Rights, and other existing shareholders who exercise the Rights will not be diluted, thereby effectively reducing the risk of a potential hostile takeover. In the event that a person or a group of affiliated or associated persons becomes an Acquiring Person and (i) the Company engages in a merger or other business combination transaction in which the Company is not the surviving corporation, (ii) the Company engages in a merger or other business combination transaction in which the Company is the surviving corporation and the ordinary shares of the Company are changed or exchanged, or (iii) 50% or more of the Company's assets, cash flows or earning power is sold or transferred, each Right (other than Rights held by the Acquiring Person) may thereafter entitle the holder of such Right to receive, upon exercise of the Right at the Purchase Price, ordinary shares (or capital stock, as applicable) of the acquiring company having a value equal to two times the Purchase Price of the Right.

We believe that this mechanism is beneficial to our Company as it encourages anyone seeking to acquire our Company to negotiate with our Board prior to attempting a takeover, thereby ensuring the continuity of our visionary management and strategies, minimizing potential business disruption, and enabling our Board to make more informed decisions for the benefit of our shareholders. See "Share Capital – Defense Mechanism Against Hostile Takeovers" for details.

ARTICLES OF ASSOCIATION

Pursuant to Appendix 3 to the Hong Kong Listing Rules, an issuer must demonstrate how the domestic laws, rules and regulations to which it is subject and its constitutional documents, in combination, provide the shareholder protection standards set out in Appendix 3 to the Hong Kong Listing Rules (the "**Unmet Listing Rules Articles Requirements**"). Our Articles do not currently comply with some of the Listing Rules Articles Requirements, and we undertake to put forth resolutions to amend our Articles to comply with these requirements at the First GM.

Furthermore, we undertake to, at the First GM, seek shareholders' approval to amend our Articles to (i) require a general meeting postponed by the Directors to be postponed to a specific date, time and place (the "**GM Postponement Requirement**"), and (ii) remove the shareholding structure of Class B ordinary shares and provisions related to Class B ordinary shares (the "**Class B Removal Requirement**," together with the Unmet Listing Rules Articles Requirements and the GM Postponement Requirement, the "**Unmet Articles Requirements**").

In addition, save for certain specified exceptions, we undertake to fully comply with the Unmet Articles Requirements (the "**Undertaking for Interim Compliance**") upon the Listing and before our existing Articles are formally amended to incorporate the Unmet Articles Requirements. For further details, please see "Waivers and Exemptions – Requirements Relating to the Articles of Association of our Company."

SUMMARY OF HISTORICAL FINANCIAL INFORMATION

The following tables set forth summary consolidated financial information for the Track Record Period and as of the applicable period ends, extracted from the Accountants' Report set out in Appendix IA to this document. The summary consolidated financial information set forth below should be read together with, and is qualified in its entirety by reference to, the consolidated financial statements in this document, including the related notes, as well as the section headed "Financial Information." Our consolidated financial information was prepared in accordance with U.S. GAAP.

The summary of historical financial information set forth below includes translations of financial data in Renminbi into U.S. dollars for the convenience of the reader. These translations were made at a rate of RMB6.6981 to US$1.00, the exchange rate set forth in the H.10 statistical release of the U.S. Federal Reserve Board as of June 30, 2022.

Selected Consolidated Results of Operations

The following table sets forth our selected consolidated results of operations for the periods indicated.

	For the Year Ended December 31,						For the Six Months Ended June 30,				
	2019		2020		2021		2021		2022		
	RMB	*%*	*RMB*	*%*	*RMB*	*%*	*RMB*	*%*	*RMB*	*US$*	*%*
							(Unaudited)				
	(in thousands, except for percentages)										
Net revenue											
Credit-driven services	8,013,391	86.9	11,403,675	84.1	10,189,167	61.2	4,856,038	63.8	5,868,397	876,129	69.0
Platform services	1,206,456	13.1	2,160,279	15.9	6,446,478	38.8	2,744,729	36.2	2,634,849	393,373	31.0
Total net revenue	**9,219,847**	**100.0**	**13,563,954**	**100.0**	**16,635,645**	**100.0**	**7,600,767**	**100.0**	**8,503,246**	**1,269,502**	**100.0**
Total operating costs and expenses	**6,326,256**	**68.6**	**9,773,796**	**72.1**	**9,849,446**	**59.3**	**4,189,862**	**55.1**	**6,133,193**	**915,661**	**72.1**
Income from operations	**2,893,591**	**31.4**	**3,790,158**	**27.9**	**6,786,199**	**40.7**	**3,410,905**	**44.9**	**2,370,053**	**353,841**	**27.9**
Net income	**2,501,304**	**27.1**	**3,495,709**	**25.8**	**5,764,513**	**34.6**	**2,895,129**	**38.2**	**2,149,313**	**320,884**	**25.3**
Net loss (income) attributable to non-controlling interests	291	0.0	897	0.0	17,212	0.1	(42)	(0.0)	10,024	1,497	0.1
Net income attributable to ordinary shareholders of the Company	**2,501,595**	**27.1**	**3,496,606**	**25.8**	**5,781,725**	**34.7**	**2,895,087**	**38.2**	**2,159,337**	**322,381**	**25.4**

For more details, please refer to "Financial Information – Results of Operations."

Non-GAAP Financial Measures

To supplement our financial results presented in accordance with U.S. GAAP, we use adjusted income from operations (non-GAAP financial measure) and adjusted net income (non-GAAP financial measure) in evaluating our operating results and for financial and operational decision-making purposes. We believe that adjusted income from operations (non-GAAP financial measure) and adjusted net income (non-GAAP financial measure) help identify underlying trends in our business that could otherwise be distorted by the effect of certain expenses that we include in results based on U.S. GAAP, and provide useful information about our operating results, enhance the overall understanding of our past performance and future prospects and allow for greater visibility with respect to key metrics used by our management in its financial and operational decision-making.

We define adjusted income from operations (non-GAAP financial measure) as income from operation excluding share-based compensation expenses which are non-cash in nature. We define adjusted net income (non-GAAP financial measure) as net income excluding share-based compensation expenses which are non-cash in nature.

However, these non-GAAP financial measures are not defined under U.S. GAAP and are not presented in accordance with U.S. GAAP. The non-GAAP financial measures have limitations as analytical tools. Our non-GAAP financial information should be considered in addition to results prepared in accordance with U.S. GAAP, but should not be considered a substitute for or superior to U.S. GAAP results. In addition, our calculation of non-GAAP financial information may be different from the calculation used by other companies, and therefore comparability may be limited.

The following table reconciles our adjusted income from operations (non-GAAP financial measure) and adjusted net income (non-GAAP financial measure) for each of the periods shown to the most directly comparable financial measure calculated and presented in accordance with U.S. GAAP, which is income from operations and net income, respectively:

	For the Year Ended December 31,			For the Six Months Ended June 30,		
	2019	2020	2021	2021	2022	
	RMB	*RMB*	*RMB*	*RMB*	*RMB*	*US$*
			(Unaudited) *(in thousands)*			
Reconciliation of income from operations and net income to adjusted income from operations (non-GAAP financial measure) and adjusted net income (non-GAAP financial measure):						
Income from operations	2,893,591	3,790,158	6,786,199	3,410,905	2,370,053	353,841
Add: Share-based compensation expenses	250,428	301,161	253,922	126,831	98,833	14,755
Adjusted income from operations (non-GAAP financial measure)	**3,144,019**	**4,091,319**	**7,040,121**	**3,537,736**	**2,468,886**	**368,596**
Net income	2,501,304	3,495,709	5,764,513	2,895,129	2,149,313	320,884
Add: Share-based compensation expenses	250,428	301,161	253,922	126,831	98,833	14,755
Adjusted net income (non-GAAP financial measure)	**2,751,732**	**3,796,870**	**6,018,435**	**3,021,960**	**2,248,146**	**335,639**

For more details, please refer to "Financial Information – Non-GAAP Financial Measures."

Net Revenue

Our revenue increased by 47.1% from RMB9,220 million in 2019 to RMB13,564 million in 2020 and by 22.6% from RMB13,564 million in 2020 to RMB16,636 million in 2021. Our revenue increased by 11.9% from RMB7,601 million for the six months ended June 30, 2021 to RMB8,503 million (US$1,270 million) for the six months ended June 30, 2022. The continued increase in our revenue is the result of the rapid expansion of our Credit-Tech business. The adoption of ASC 326 in 2020 also partially contributed to the large increase in the amount of revenue from releasing of guarantee liabilities of RMB4,506.9 million in 2020 compared with RMB285.4 million in 2019. The amount of our total revenue derived from platform services increased by 198.4% from RMB2,160 million in 2020 to RMB6,446 million in 2021, mainly driven by the increase in the loan facilitation volume under platform services.

Operating Costs and Expenses

Operating costs and expenses increased from RMB6,326 million for 2019 to RMB9,774 million for 2020, and further to RMB9,849 million for 2021. Operating costs and expenses increased from RMB4,190 million for the six months ended June 30, 2021 to RMB6,133 million (US$916 million) for the six months ended June 30, 2022. The increase in operating costs and expenses in 2020, compared to the operating costs and expenses in 2019, was primarily due to (i) the increase in provision for contingent liability due to the new accounting standards that took effect in 2020 and (ii) the increase in facilitation, origination and servicing costs due to the increase in salary and benefit expenses and collection fees, which were partially offset by the decrease in advertising and marketing-related expenses as a result of a more conservative user acquisition strategy and more effective user acquisition. The increase in operating costs and expenses in 2021, compared to the operating costs and expenses in 2020, was primarily due to the increase in sales and marketing expenses primarily as a result of a more proactive user acquisition strategy, particularly related to acquiring users with demand for high credit lines. The increase in operating costs and expenses for the six months ended June 30, 2022, compared to the operating costs and expenses for the six months ended June 30, 2021, was primarily due to (i) an increase in provision for loans receivable as a result of the growth in loan facilitation volume of on-balance sheet loans and (ii) an increase in provision for contingent liabilities due to the increase in facilitation volume of off-balance sheet loans under credit-driven services.

Income from Operations

Income from operations increased from RMB2,894 million for 2019 to RMB3,790 million for 2020, and further to RMB6,786 million for 2021. The increase in income from operations from 2019 to 2020 was primarily due to the increase in our total revenue as a result of the rapid expansion of our platform services, and partially offset by the increase in provision for contingent liabilities. The increase in income from operations from 2020 to 2021 was primarily due to the increase in our total revenue as a result of the rapid expansion of our platform services, and partially offset by the increase in marketing related expenses. Income from operations was RMB3,411 million for the six months ended June 30, 2021 and RMB2,370 million (US$354 million) for the six months ended June 30, 2022, primarily due to the increase in sales and marketing expenses as a result of a more proactive customer acquisition strategy.

Net Income

Net income increased from RMB2,501 million in 2019 to RMB3,496 million in 2020 and further to RMB5,765 million in 2021. Net income decreased from RMB2,895 million for the six months ended June 30, 2021 to RMB2,149 million (US$321 million) for the six months ended June 30, 2022. The increase in net income from 2019 to 2020 was primarily due to the increase in our total revenue as a result of the rapid expansion of our platform services, and partially offset by the increase in provision for contingent liabilities. The increase in net income from 2020 to 2021 was primarily due to the increase in our total revenue as a result of the rapid expansion of our platform services, and partially offset by the increase in marketing-related expenses. The decrease in net income for the six months ended June 30, 2022 compared to the same period of 2021 was mainly attributable to the increase in marketing-related expenses.

Selected Consolidated Balance Sheets Items

The following table sets forth our assets and liabilities as of the dates indicated, which should be read together with our consolidated financial statements and related notes included in Appendix IA to this document.

	As of December 31,			As of June 30,	
	2019	2020	2021	2022	
	RMB	*RMB*	*RMB*	*RMB*	*US$*
			(in thousands)		
Total current assets	**19,503,488**	**21,876,042**	**27,757,223**	**30,807,848**	**4,599,491**
Total current liabilities	**9,667,187**	**13,384,508**	**14,143,186**	**16,823,516**	**2,511,684**
Net current assets	**9,836,301**	**8,491,534**	**13,614,037**	**13,984,332**	**2,087,807**
Total non-current assets	**852,113**	**2,511,263**	**5,747,772**	**6,858,260**	**1,023,911**
Total non-current liabilities	**3,473,684**	**1,521,707**	**4,145,200**	**3,821,614**	**570,553**
Non-controlling interests	1,288	512	12,746	2,722	406
TOTAL EQUITY	**7,214,730**	**9,481,090**	**15,216,609**	**17,020,978**	**2,541,165**

Our net assets increased from RMB7,215 million as of December 31, 2019 to RMB9,481 million as of December 31, 2020, primarily due to our net income of RMB3,496 million generated for the year ended December 31, 2020, partially offset by the recognition of the cumulative effect of approximately RMB1,430 million as a decrease to the opening balances of retained earnings as of January 1, 2020, as a result of the adoption of ASC 326 in 2020. Our net assets increased from RMB9,481 million as of December 31, 2020 to RMB15,217 million as of December 31, 2021, primarily due to our net income of RMB5,765 million generated for the year ended December 31, 2021, partially offset by the dividends distribution of RMB277 million to shareholders. Our net assets increased from RMB15,217 million as of December 31, 2021 to RMB17,021 million (US$2,541 million) as of June 30, 2022, primarily due to our net income of RMB2,149 million (US$321 million) generated for the six months ended June 30, 2022, partially offset by the dividends distributions of RMB487 million (US$73 million) to shareholders.

We had net current assets positions as of December 31, 2019, 2020 and 2021 and as of June 30, 2022. Our net current assets positions as of each of these dates were primarily attributable to our large balance of net loans receivable, cash and cash equivalents, restricted cash, net accounts receivable and contract assets and net financial assets receivable, partially offset by our current payable to investors of the consolidated trusts, our stand-ready and contingent guarantee liabilities and our income tax payable.

Our net current assets decreased from RMB9,836 million as of December 31, 2019 to RMB8,492 million as of December 31, 2020 primarily due to (i) an increase by RMB3,717 million in our total current liabilities mainly attributable to an increase by RMB1,961 million in stand-ready guarantee liabilities and an increase by RMB2,809 million in contingent guarantee liabilities, (ii) partially offset by an increase by RMB2,373 million in our total current assets mainly attributable to an increase by RMB2,310 million in cash and cash equivalents, an increase by RMB1,653 million in net financial assets receivable and an increase by RMB628 million in restricted cash, which were partially offset by a decrease by RMB1,739 million in net loans receivable.

Our net current assets increased from RMB8,492 million as of December 31, 2020 to RMB13,614 million as of December 31, 2021 primarily due to (i) an increase by RMB5,881 million in our total current assets mainly attributable to an increase by RMB1,698 million in cash and cash equivalents, an increase by RMB2,344 million in net loans receivable, an increase by RMB703 million in net accounts receivable and contract assets, an increase by RMB644 million in amounts due from related parties, an increase by RMB288 million in restricted cash and an increase by RMB241 million in net financial assets receivable, (ii) partially offset by an increase by RMB759 million in our total current liabilities mainly attributable to RMB1,449 million in accrued expenses and other current liabilities and an increase by RMB645 million in stand-ready guarantee liabilities, which were partially offset by a decrease by RMB813 million in our current payable to investors of the consolidated trusts.

Our net current assets increased from RMB13,614 million as of December 31, 2021 to RMB13,984 million (US$2,088 million) as of June 30, 2022 primarily due to (i) an increase by RMB3,051 million (US$455 million) in our total current assets mainly attributable to an increase by RMB1,121 million (US$167 million) in restricted cash and an increase by RMB1,006 million (US$150 million) in net loans receivable and (ii) partially offset by an increase by RMB2,680 million (US$400 million) in our total current liabilities, which was mainly attributable to an increase by RMB2,920 million (US$436 million) in our current payable to investors of the consolidated trusts.

Selected Consolidated Statements of Cash Flows Data

The following table presents our selected consolidated cash flows data for the periods indicated.

	For the Year Ended December 31,			For the Six Months Ended June 30,		
	2019	2020	2021	2021	2022	
	RMB	*RMB*	*RMB*	*RMB*	*RMB*	*US$*
				(Unaudited)		
	(in thousands)					
Summary Consolidated Cash Flows Data:						
Net cash provided by operating activities	2,973,075	5,325,810	5,789,700	2,001,639	2,537,911	378,900
Net cash (used in)/provided by investing activities	(8,860,441)	892,770	(6,064,328)	(2,287,998)	(2,694,432)	(402,267)
Net cash provided by/(used in) financing activities	7,707,858	(3,282,400)	2,263,720	1,351,545	2,129,177	317,877
Net increase in cash and cash equivalents	1,822,254	2,938,416	1,985,681	1,062,434	1,970,279	294,155
Cash, cash equivalents, and restricted cash at the beginning of year	2,013,596	3,835,850	6,774,266	6,774,266	8,759,947	1,307,826
Cash, cash equivalents, and restricted cash at the end of year	3,835,850	6,774,266	8,759,947	7,836,700	10,730,226	1,601,981

IMPACT OF COVID-19 AND RECENT DEVELOPMENT

Impact of COVID-19 on Our Operations and Financial Performance

Since late January 2020, COVID-19 has affected China and many parts of the world. Alongside the nationwide efforts to combat the COVID-19 pandemic, we promptly adjusted our operations and took measures as well, including, among others, remote working arrangements for our employees and temporary closure of some of our premises and facilities.

The COVID-19 pandemic has adversely impacted the economy of China and the economic condition of SMEs, especially offline businesses, and to a greater or lesser extent resulted in reduced spending, especially on discretionary consumption. Downturn in the economy and previous suspension of business activities across various sectors also weighed on borrowers' ability to repay, which may lead to an increase in default of the loans facilitated through our platform. During the early stage of the COVID-19 pandemic, we experienced a temporary decrease in demand for loan products facilitated on our platform and witnessed a temporary increase in loan delinquency due to lower levels of consumption, challenging macroeconomic conditions and uncertainty about the pandemic. As a result, we booked more provisions in 2020 to cope with the deterioration of asset quality of the loan portfolios due to COVID-19 and increased allowances to ensure sufficient coverage of potential defaults on loans facilitated on our platform. In addition, we curtailed our expenses, implemented stringent cost control measures and adopted more conservative user acquisition strategies in 2020.

As COVID-19 was gradually contained in China, we have resumed normal operations and managed to deliver solid performance in asset quality of the loan portfolios and business growth in 2020 and 2021. For the six months ended June 30, 2022, regional outbreaks of COVID-19 affected the operations of many businesses in China. In compliance with relevant government measures, we implemented a remote working policy for our employees based in the Shanghai headquarters from mid-March to May of 2022. As we perform most of our daily operations via the internet, our daily operations had not been materially impacted by the temporary lockdown and travel restrictions imposed during the regional outbreaks of COVID-19 for the six months ended June 30, 2022.

Leveraging our strong credit profiling capabilities, our 90 day+ delinquency rate remained relatively low in the industry during the COVID-19 pandemic. The 90 day+ delinquency rate for all loans outstanding was approximately 1.3%, 1.5% and 1.5% as of December 31, 2019, 2020 and 2021, respectively. As of June 30, 2022, the 90 day+ delinquency rate was approximately 2.6%, primarily due to the resurgence of COVID-19 pandemic in certain cities of China which resulted in a challenging macroeconomic environment that negatively impacted borrowers' ability to repay on time, and our adjustment in collection operations in regions that were significantly impacted by the resurgence of COVID-19. Our provision for contingent liability also increased to RMB2,162.6 million (US$322.9 million) for the six months ended June 30, 2022, compared to RMB1,220.6 million in the same period of 2021. For the six months ended June 30, 2022, the 30 day collection rate was 86%, compared to the 30 day collection rate of 91% for the six months ended June 30, 2021, mainly due to the same reason. As the borrowers' ability to repay on time was adversely affected by COVID-19, we implemented the following adjustments in our collection operations: (i) strengthening our monitoring of publicly reported data regarding COVID-19, promptly launching precautionary measures and adjusting collection strategies on a region-by-region basis according to the level of severity of COVID-19, (ii) establishing an emergency mechanism to cope with emergency suspension of operations due to COVID-19 related restrictions or lockdowns, enhancing the facilities and personnel management required to operate remotely, and improving the management and operational efficiency while the personnels are working remotely, and (iii) implementing certain interest discount policies for those borrowers whose ability to pay was adversely impacted due to COVID-19. As of September 30, 2022, the 90 day+ delinquency rate improved to 2.3% compared to 2.6% as of June 30, 2022, mainly attributable to our continued optimization of user acquisition. For the three months ended September 30, 2022, the 30 day collection rate improved to 86.4% compared to 85.7% for the three months ended June 30, 2022, mainly attributable to various adjustments we implemented such as optimizing our user base by focusing on higher quality users.

In addition, despite the continued adverse impact of COVID-19 on consumptions and the businesses of SMEs, especially offline businesses, we adopted business strategies to expand our platform services and optimize our user acquisition through innovations and the development of technologies that further improve our risk analysis capabilities. As a result, our total net revenue increased by 47.1% from RMB9,220 million in 2019 to RMB13,564 million in 2020, and further increased by 22.6% to RMB16,636 million in 2021. Our total net revenue increased by 11.9% from RMB7,601 million for the six months ended June 30, 2021 to RMB8,503 million (US$1,270 million) for the six months ended June 30, 2022.

Despite the impact of COVID-19 on our operations outlined above, we still managed to achieve continual revenue growth in each period of the Track Record Period, partly as a result of our promptness in implementing our internal policies in quick response to the regional outbreaks as well as our adoption of business strategies that focus on the expansion of platform services and optimization of user acquisition. Other than the impacts discussed above, our Directors are of the view that COVID-19 had not had a material impact on our business and financial performance up to the Latest Practicable Date. However, there is no comparable recent events that provide guidance as to the effect of the COVID-19 pandemic may have or how it will evolve. Resurgence of COVID-19 cases since 2021 caused by new variants such as Delta and Omicron in multiple cities in China, as well as across the world, may continue to impact businesses that operate in China, including ours. The long-term trajectory of COVID-19, both in terms of scope and intensity of the pandemic, in China as well as globally, together with its impact on the industry and the broader economy remain difficult to assess or predict and face significant uncertainties that will be difficult to quantify. The extent to which the COVID-19 pandemic impacts us and the Chinese economy as a whole in 2022 and beyond depends on its future developments, which are highly uncertain and unpredictable. If there is not a material recovery in the COVID-19 situation, or it further deteriorates in China or globally, our business, results of operations and financial condition could be materially and adversely affected. For more details, please refer to "Risk Factors – Risks Related to Our Business and Industry – Our operations have been impacted by the outbreak of COVID-19, which may continue and may adversely affect our financial performance."

As of June 30, 2022, we had cash and cash equivalents and restricted cash of RMB10.7 billion (US$1.6 billion). We believe that this level of liquidity is sufficient to successfully navigate an extended period of uncertainty.

Certain Key Operating Metrics as of and for the Nine Months Ended September 30, 2022

As of September 30, 2022, the number of cumulative users with approved credit lines increased to 43.0 million from 41.3 million as of June 30, 2022. The number of cumulative borrowers was 26.3 million as of September 30, 2022, compared to 25.6 million as of June 30, 2022. In addition, the cumulative number of financial institution partners with which we collaborated increased to 141 as of September 30, 2022 from 133 as of June 30, 2022.

Our total loan facilitation volume amounted to RMB307.8 billion for the nine months ended September 30, 2022, representing an increase of 18.3% from RMB260.2 billion for the same period of 2021. In particular, loans facilitated by us under platform services accounted for approximately 54.7% and 56.1% of our total loan facilitation volume for the nine months ended September 30, 2021 and 2022, respectively. As of September 30, 2022, the total outstanding loan balance facilitated through our platform was RMB160.0 billion, representing an increase of 6.3% from RMB150.5 billion as of June 30, 2022. The 90 day+ delinquency rate of loans facilitated through our platform improved to 2.3% as of September 30, 2022, compared to 2.6% as of June 30, 2022, mainly attributable to our continued optimization of user acquisition.

Financial Results as of and for the Nine Months Ended September 30, 2022

The following table sets forth our selected unaudited condensed consolidated statements of operations data in absolute amounts and as percentages of our total net revenues for the periods presented. The selected unaudited condensed consolidated statements of operations data below include translations of financial data in Renminbi into U.S. dollars for the convenience of the reader. These translations were made at a rate of RMB7.1135 to US$1.00, the exchange rate set forth in the H.10 statistical release of the Board of Governors of the Federal Reserve System as of September 30, 2022.

	Nine months ended September 30,				
	2021		2022		
	RMB	*%*	*RMB*	*US$*	*%*
	(in thousands, except for percentages) (unaudited)				
Net revenue					
Credit-driven services	**7,476,006**	**61.2**	**8,809,503**	**1,238,420**	**69.7**
Loan facilitation and servicing fees-capital heavy	1,846,102	15.1	1,724,628	242,444	13.6
Financing income	1,468,075	12.0	2,485,871	349,458	19.7
Revenue from releasing of guarantee liabilities	4,088,453	33.5	4,522,107	635,708	35.8
Other services fees	73,376	0.6	76,897	10,810	0.6
Platform services	**4,737,574**	**38.8**	**3,837,872**	**539,520**	**30.3**
Loan facilitation and servicing fees-capital light	4,192,673	34.3	3,169,165	445,514	25.0
Referral services fees	442,889	3.6	468,031	65,795	3.7
Other services fees	102,012	0.9	200,676	28,211	1.5
Total net revenue	**12,213,580**	**100.0**	**12,647,375**	**1,777,940**	**100.0**
Operating costs and expenses[1]					
Facilitation, origination and servicing	1,662,927	13.6	1,787,872	251,335	14.1
Funding costs	245,995	2.0	366,105	51,466	2.9
Sales and marketing	1,462,210	12.0	1,791,761	251,882	14.2
General and administrative	416,777	3.4	318,869	44,826	2.5
Provision for loans receivable	742,286	6.1	1,098,859	154,475	8.7
Provision for financial assets receivable	173,661	1.4	279,361	39,272	2.2
Provision for accounts receivable and contract assets	286,202	2.4	170,787	24,009	1.4
Provision for contingent liabilities	1,918,899	15.7	3,305,458	464,674	26.1
Total operating costs and expenses	**6,908,957**	**56.6**	**9,119,072**	**1,281,939**	**72.1**

	Nine months ended September 30,				
	2021		2022		
	RMB	*%*	*RMB*	*US$*	*%*
	(in thousands, except for percentages) *(unaudited)*				
Income from operations	**5,304,623**	**43.4**	**3,528,303**	**496,001**	**27.9**
Interest income, net	109,790	0.9	126,007	17,714	1.0
Foreign exchange gain (loss)	17,897	0.2	(155,241)	(21,823)	(1.2)
Other income, net	38,737	0.3	227,485	31,979	1.8
Investment gain (loss)	10,115	0.1	(8,996)	(1,265)	(0.1)
Income before income tax expense	**5,481,162**	**44.8**	**3,717,558**	**522,606**	**29.4**
Income taxes expense	(1,021,956)	(8.4)	(579,891)	(81,520)	(4.6)
Net income	**4,459,206**	**36.4**	**3,137,667**	**441,086**	**24.8**
Net (income) loss attributable to non-controlling interests	(42)	(0.0)	14,505	2,039	0.1
Net income attributable to ordinary shareholders of the Company	**4,459,164**	**36.4**	**3,152,172**	**443,125**	**24.9**

Note:

(1) Share-based compensation expenses were allocated as follows:

	Nine months ended September 30,		
	2021	2022	
	RMB	*RMB*	*US$*
		(in thousands) *(unaudited)*	
Facilitation, origination and servicing	53,116	53,490	7,520
Sales and marketing expenses	8,933	2,409	339
General and administrative expenses	134,322	92,484	13,001
Total	**196,371**	**148,383**	**20,860**

For details on the financial results as of and for the nine months ended September 30, 2022, see "Financial Information – Financial Results as of and for the Nine Months Ended September 30, 2022."

Quarterly Dividend

Our Board has approved a dividend of US$0.08 per ordinary share, or US$0.16 per ADS, for the third fiscal quarter of 2022 in accordance with the Company's dividend policy, which is expected to be paid on January 18, 2023 to shareholders of record as of the close of business on December 12, 2022.

Recent Regulatory Developments

Information security and privacy protection

On June 10, 2021, the SCNPC promulgated the PRC Data Security Law (《中華人民共和國數據安全法》), which took effect in September 2021 and introduces a data classification and hierarchical protection system based on a number of factors. On August 20, 2021, the SCNPC promulgated the Personal Information Protection Law of the PRC (《中華人民共和國個人信息保護法》), which became effective on November 1, 2021 and provides important concepts with respect to personal information processing, including "personal information," "processing of personal information," and "personal information processor." On July 7, 2022, the CAC published Outbound Data Transfer Security Assessment Measures (《數據出境安全評估辦法》), which took effect on September 1, 2022 and outline the potential security assessment process for outbound data transfer. On November 14, 2021, the CAC released the Draft Regulations on Network Data Security (《網絡數據安全管理條例(徵求意見稿)》), which provide for several circumstances under which a cybersecurity review will be imposed on a data processor. On December 28, 2021, the CAC, the NDRC, the MIIT, and several other PRC governmental authorities jointly issued the Measures for Cybersecurity Review(2021 Revision) (《網絡安全審查辦法》(2021版)), which became effective on February 15, 2022 and require critical information infrastructure operators ("**CIIO**") to apply for cybersecurity review if they procure internet products and services that affect or may affect national security. The Measures for Cybersecurity Review (2021 Revision) also stipulate that network platform operators holding over one million users' personal information shall apply with the Cybersecurity Review Office for a cybersecurity review before listing on a foreign stock exchange (國外上市). Although our Group possesses personal information of over one million users, based on the consultation with China Cybersecurity Review Technology and Certification Center, which is delegated by the CAC with the authority to address public inquiries relating to the cybersecurity review under the Measures for Cybersecurity Review (2021 Revision), a listing in Hong Kong is not deemed as "listing on a foreign stock exchange" (國外上市) under the Measures for Cybersecurity Review (2021 Revision) and we are not required to proactively apply for a cybersecurity review as stated in Article 7 thereof. Furthermore, pursuant to the Measures for Cybersecurity Review (2021 Revision), the Cybersecurity Review Office under the CAC, with the approval of the CAC, may initiate the cybersecurity review against the relevant operators if the relevant authorities believe that the network products or services or data processing activities of such operators affect or may affect national security. The Article 10 of the Measures for Cybersecurity Review (2021 Revision) provides the key factors that the CAC would consider when assessing the national security risks of the relevant activities in the cybersecurity review. See "Regulatory Overview – Regulations on Information Security and Privacy Protection" for more details.

As of the Latest Practicable Date, (i) we had not been notified by any PRC government authorities of being classified as a CIIO so we do not have to apply for the cybersecurity review which is applicable for CIIOs that procure internet products and services that affect or may affect national security; and (ii) we have not received any inquiry, notice, warning from any PRC government authorities, and have not been subject to any investigation, sanctions or penalties made by any PRC government authorities regarding national security risks caused by our business operations or the Listing. Furthermore, as to the factors set out in Article 10 of the Measures for Cybersecurity Review (2021 Revision), (i) we have not been identified as a CIIO by any relevant authority, and therefore, as advised by our PRC Legal Adviser, items (i) to (iv) of Article 10 of the Measures for Cybersecurity Review (2021 Revision) do not apply to us; (ii) as of the Latest Practicable Date, based on the public search of our PRC Legal Adviser and to the best knowledge of us, no data processed by us has been included into the effective catalogue of important data or core data published by the relevant authority. In addition, we have formulated a Management System of Data Protection and dedicated significant resources to ensure data security. See "Business – Risk Management and Internal Control – Data and technology system risk management" and "Business – Technology & Security." During the Track Record Period, no data leakage from our Company occurred. Therefore, our PRC Legal Adviser is of the view that the possibility of "risk of theft, leakage or damage of core data, important data or a large amount of personal information, or illegal use of such information or illegal exit of such information" under item (v) of Article 10 of the Measures for Cybersecurity Review (2021 Revision) is remote for us up to the date of this document; and (iii) as advised by our PRC Legal Adviser, based on the consultation with China Cybersecurity Review Technology and Certification Center, item (vi) of Article 10 does not apply to us because listing in Hong Kong should not be deemed as listing on a foreign stock exchange. Based on the foregoing, our Directors and our PRC Legal Adviser are of the view that the likelihood of our business operations or the Listing being deemed as affecting national security based on the factors set out in Article 10 of the Measures for Cybersecurity Review (2021 Revision) is remote.

The Draft Regulations on Network Data Security, stipulate that data processing activities carried out through networks as well as the supervision and regulation of network data security within the territory of the PRC should be subject to the Draft Regulations on Network Data Security. As we operate the 360 Jietiao app in China to provide information and technology services to financial institution partners, consumers and SMEs, our PRC Legal Adviser is of the view that the Draft Regulations on Network Data Security may be applicable to us if they are implemented in their current form. As of the Latest Practicable Date, we had neither been and involved in any investigations on cybersecurity review conducted by the CAC nor received any warning or sanctions in this regard. In addition, we have adopted internal measures regarding data security and personal information protection to ensure compliance with relevant laws and regulations.

Based on the foregoing, our Directors and our PRC Legal Adviser are of the view that we would be able to comply with the Draft Regulations on Network Data Security and the Measures for Cybersecurity Review (2021 Revision) in all material aspects and the Draft Regulations on Network Data Security and the Measures for Cybersecurity Review (2021 Revision) will not have any material adverse effect on our business operations or the Listing, assuming the Draft Regulations on Network Data Security are fully adopted and implemented in the current form.

Having taken into account the views of our Directors and our PRC Legal Adviser, which are concurred by the PRC legal adviser of the Joint Sponsors, and based on the independent due diligence work conducted by the Joint Sponsors, nothing material has come to the attention of the Joint Sponsors, who are not legal experts, that would cause them to question the views of our Directors and our PRC Legal Adviser that the Draft Regulations on Network Data Security and the Measures for Cybersecurity Review (2021 Revision) will not have any material adverse effect on our business operations or the Listing, assuming the Draft Regulations on Network Data Security are fully adopted and implemented in the current form.

However, given the Measures for Cybersecurity Review (2021 Revision) were recently promulgated, and the Draft Regulations on Network Data Security have not come into effective as of the Latest Practicable Date, there are uncertainties as to the interpretation, application and enforcement of the Measures for Cybersecurity Review (2021 Revision) and the Draft Regulations on Network Data Security. We will closely monitor the legislative process and seek guidance from relevant regulatory authorities in a timely manner to ensure our compliance with relevant laws and regulations applicable to us.

Overseas listings

On December 24, 2021, the CSRC issued a draft of the Provisions of the State Council on the Administration of Overseas Securities Offering and Listing by Domestic Companies (《國務院關於境內企業境外發行證券和上市的管理規定(草案徵求意見稿)》), or the Draft Provisions, and a draft of Administration Measures for the Filing of Overseas Securities Offering and Listing by Domestic Companies (《境內企業境外發行證券和上市備案管理辦法(徵求意見稿)》), or the Draft Administration Measures, for public comments. The Draft Provisions and the Draft Administration Measures propose to establish a new filing-based regime to regulate overseas offerings and listings by domestic companies. See "Regulatory Overview – Overseas Listings" for more details.

Based on the public search conducted by our PRC Legal Adviser and to the best of our knowledge, our proposed Listing does not fall within any of the forbidden circumstances under the Draft Provisions and the Draft Administrative Measures as of the Latest Practicable Date. Therefore, if the Draft Provisions and the Draft Administrative Measures become effective in their current form, subject to the specific filing procedures expected to be detailed in the subsequent implementation rules, we do not foresee any material impediment for us to comply with the Draft Provisions and the Draft Administrative Measures. In addition, during the Track Record Period and up to the Latest Practicable Date, we had not received any warning, sanctions, or any regulatory objection regarding the Listing or our Contractual Arrangements from the CSRC or any other PRC government authorities that have jurisdiction over our operations.

Based on the foregoing, our PRC Legal Adviser is of the view that the Draft Provisions and the Draft Administrative Measures allow PRC domestic companies with a VIE structure which complies with applicable PRC laws and regulations to conduct overseas offerings and listings, and do not raise additional compliance requirements for business operations of such

PRC companies. Based on the foregoing analysis, with the advice of our PRC Legal Adviser, our Directors do not foresee the Draft Provisions and the Draft Administrative Measures, should they become effective in their current forms, would have a material adverse impact on our ability to operate our business under the Contractual Arrangements.

As advised by our PRC Legal Adviser, there is no explicit PRC laws and regulations which prohibit us from offering and listing on an overseas stock exchange. Based on the foregoing, our Directors and PRC Legal Adviser are of the view that assuming the Draft Provisions and the Draft Administrative Measures are adopted in their current forms, as long as we comply with all relevant legal requirements, take all necessary steps, and submit all relevant materials in accordance with the Draft Provisions and the Draft Administrative Measures, there is not any material legal impediment in obtaining the approval from and completing the filing procedure with the CSRC for the Global Offering. However, as advised by our PRC Legal Adviser, there are uncertainties as to the implementation and interpretation of these draft regulations. The period for which the CSRC solicits comments on these drafts ended on January 23, 2022. As of the Latest Practicable Date, the Draft Provisions and Draft Administrative Measures are still in draft form and there is no schedule for the adoptions of such drafts, and it remains unclear whether the versions adopted will have any further material changes. Currently, in relation to the Draft Provisions and Draft Administrative Measures, we are not required to conduct any filing with any authorities or comply with any approval or verification for the Listing. There remain uncertainties about how these drafts will be enacted, interpreted or implemented and how they will affect the Listing.

The Holding Foreign Companies Accountable Act

The Holding Foreign Companies Accountable Act, or the HFCAA, was enacted on December 18, 2020. The HFCAA states that if the SEC determines that we have filed audit reports issued by a registered public accounting firm that has not been subject to inspection by the PCAOB for three consecutive years beginning in 2021, the SEC 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. Since our auditor is located in China, a jurisdiction where the PCAOB has been unable to conduct inspections without the approval of the Chinese authorities, our auditor is not currently inspected by the PCAOB, which may impact our ability to remain listed on a United States or other foreign exchange.

On December 16, 2021, the PCAOB issued a report to notify the SEC of its determination that the PCAOB is unable to inspect or investigate completely registered public accounting firms headquartered in mainland China and Hong Kong, and our auditor is subject to this determination. In May 2022, the SEC conclusively listed 360 DigiTech, Inc. as a Commission-Identified Issuer under the HFCAA following the filing of our annual report on Form 20-F for the fiscal year ended December 31, 2021. In accordance with the HFCAA, our securities will be prohibited from being traded on a national securities exchange or in the over-the-counter trading market in the United States in 2024 if the PCAOB is unable to inspect or investigate completely PCAOB-registered public accounting firms headquartered in China, or in 2023 if proposed changes to the law, or the Accelerating Holding Foreign Companies Accountable Act, are enacted. As a result, the Nasdaq may determine to delist our securities.

Our Directors are of the view that the listing of 360 DigiTech, Inc. as a Commission-Identified Issuer by the SEC for the first time in May 2022 does not have an immediate impact on our status as a company listed on the Nasdaq, the Listing and our business operations. However, the related risks and uncertainties could cause the value of the ADSs to significantly decline.

On August 26, 2022, the PCAOB signed a Statement of Protocol with the CSRC and the Ministry of Finance, taking the first step toward opening access for the PCAOB to inspect and investigate registered public accounting firms headquartered in mainland China and Hong Kong. For more details, see "Risk Factors – Risks Related to Doing Business in China – The PCAOB is currently unable to inspect our auditor in relation to their audit work performed for our financial statements and the inability of the PCAOB to conduct inspections over our auditor deprives our investors with the benefits of such inspections" and "Risk Factors – Risks Related to Doing Business in China – The ADSs will be prohibited from trading in the United States under the Holding Foreign Companies Accountable Act, or the HFCAA, in 2024 if the PCAOB is unable to inspect or completely investigate auditors located in China, or in 2023 if proposed changes to the law are enacted. The delisting of the ADSs, or the threat of their being delisted, may materially and adversely affect the value of your investment."

Compliance practice of financial technology platforms

In April 2021, we and 12 other major financial technology platforms were invited to meet with the PBOC, the CBIRC, the CSRC, the SAFE and other financial regulators to discuss the operations and compliance practice of these platforms' internet financial businesses in China. We have been making rectifications and adjustments to our operations to address the issues discussed during the meeting and results of our self-examination according to the guidance provided by the regulators. As of the Latest Practicable Date, we have substantially completed most of the rectification measures based on our self-examination results according to the guidance provided by the relevant authorities. The regulatory authorities have reviewed our rectification measures in general. As a result, we have moved on to the regular regulatory supervision status (常態化監管階段) from the self-examination and rectification status (自查整改階段) according to the guidance provided by the regulatory authorities. Our rectification results remain subject to the regulators' regular supervision, and we cannot assure you that the measures we have taken and rectifications we have made will satisfy the requirements from the regulators. For more details, see "Risk Factors – Risks Related to Our Business and Industry – We are subject to uncertainties surrounding regulations and administrative measures of the loan facilitation business. If any of our business practices are deemed to be non-compliant with applicable laws and regulations, our business, financial condition and results of operations would be adversely affected."

No Material Adverse Change

After due and careful consideration, our Directors confirm that, up to the date of this document, there has been no material adverse change in our financial or trading position or prospects since June 30, 2022, and there is no event since June 30, 2022 which would materially affect the information shown in the Accountants' Report in Appendix IA to this document.

DIVIDEND POLICY

On November 15, 2021, our Board approved a quarterly cash dividend policy. Under the policy, we will declare and distribute a recurring cash dividend every fiscal quarter, starting from the third fiscal quarter of 2021, at an amount equivalent to approximately 15% to 20% of our net income after tax for such quarter. Despite a dividend policy in place, the determination to make dividend distributions and the exact amount of such distributions in any particular quarter will be based upon our operations and financial conditions, and other relevant factors, and subject to adjustment and determination by our Board.

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 "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 adverse effect on our ability to conduct our business." See also "Regulatory Overview – Regulations on Foreign Exchange – Regulations on dividend distribution."

For ADS holders, if we pay any dividends on our ordinary shares, we will pay those dividends which are payable in respect of the underlying Shares represented by the ADSs to the depositary, as the registered holder of such Shares, and the depositary then will pay such amounts to the ADS holders in proportion to the underlying Shares represented by the ADSs held by such ADS holders, subject to the terms of the deposit agreement, including the fees and expenses payable thereunder. Cash dividends on our ordinary shares, if any, will be paid in U.S. dollars.

THE LISTING

The ADSs, each representing two Share, have been listed and begun trading on the Nasdaq Global Market under the symbol "QFIN" since December 14, 2018. On November 19, 2020, the ADSs were transferred from the Nasdaq Global Market to, and began trading on, the Nasdaq Global Select Market. We have applied for a listing of our Shares on the Main Board pursuant to Rule 8.05(1) and Chapter 19C (Secondary Listings of Qualifying Issuers) of the

Hong Kong Listing Rules. Dealings in our Shares on the Hong Kong Stock Exchange will be conducted in Hong Kong dollars. Our Shares will be traded on the Hong Kong Stock Exchange in board lots of 50 Shares. For additional information, see "Information about This Document and the Global Offering."

WAIVERS AND EXEMPTIONS

As we are applying for listing under Chapter 19C of the Hong Kong Listing Rules, we will not be subject to certain provisions of the Hong Kong Listing Rules, including, among others, rules on notifiable transactions, connected transactions, share option schemes, content of the financial statements as well as certain other continuing obligations. In addition, in connection with the Listing, we have applied for a number of waivers and/or exemptions from strict compliance with the Hong Kong Listing Rules, the Companies (Winding Up and Miscellaneous Provisions) Ordinance and the SFO and a ruling under the Takeovers Code. For additional information, see "Waivers and Exemptions."

We enjoy exemptions from certain obligations under U.S. securities law and Nasdaq rules as a foreign private issuer as defined under the U.S. Exchange Act. Investors should exercise care when investing in our Shares and/or ADSs. See "Information about the Listing – Summary of Exemptions as a Foreign Private Issuer in the U.S."

GLOBAL OFFERING

This document is published in connection with the Hong Kong Public Offering as part of the Global Offering. The Global Offering comprises of:

(i) the Hong Kong Public Offering of initially 560,000 Offer Shares (subject to reallocation) in Hong Kong as described in "Structure of the Global Offering – The Hong Kong Public Offering"; and

(ii) the International Offering of an aggregate of initially 4,980,000 Offer Shares (subject to reallocation and the Over-allotment Option) pursuant to the registration statement on Form F-3, which was initially filed with the SEC on November 17, 2022, including the preliminary prospectus dated November 17, 2022 and the final prospectus to be filed with the SEC on or about November 24, 2022 pursuant thereto, including the documents incorporated by reference therein.

The Offer Shares will represent approximately 1.7% of the issued share capital of our Company immediately following the completion of the Global Offering, assuming the Over-allotment Option is not exercised and no further Shares are issued under the Share Incentive Plans. If the Over-allotment Option is exercised in full and no further Shares are issued under the Share Incentive Plans, the Offer Shares will represent approximately 2.0% of the issued share capital of our Company immediately following the completion of the Global Offering.

OFFERING STATISTICS

	Based on the indicative Offer Price of HK$88.80 per Offer Share for both the Hong Kong Public Offering and the International Offering
Market capitalization of our Shares(1)	HK$28.2 billion
Unaudited pro forma adjusted net tangible asset per Share(2)(3)	HK$61.74 (RMB57.41)

Notes:

(1) The calculation of market capitalization is based on the assumptions that (i) the Global Offering has been completed and 5,540,000 new Shares are issued pursuant to the Global Offering (assuming the Over-allotment Option is not exercised) and no further Shares are issued under the Share Incentive Plans; and (ii) 318,062,703 Shares expected to be in issue immediately upon completion of the Global Offering, which is calculated based on the number of issued and outstanding ordinary shares of the Company as of September 30, 2022.

(2) The unaudited pro forma adjusted net tangible asset per ordinary share is calculated after making the adjustments referred to in Appendix II and on the basis that 318,062,703 ordinary shares were in issue assuming that the Global Offering had been completed on September 30, 2022. However, this does not take into account of any allotment and issuance of ordinary shares upon the exercise of the Over-allotment Option, any ordinary shares to be granted under the Share Incentive Plans including pursuant to the exercise of stock options or the vesting of restricted shares or other awards that have been or may be granted from time to time, any issuance or repurchase of ordinary shares and/or ADSs by the Company, including the effect of the defense mechanism pursuant to the rights agreement as detailed in "Share Capital – Defense Mechanism Against Hostile Takeovers" in this document.

(3) No adjustments have been made to the unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to ordinary shareholders of the Company to reflect any trading result or other transactions of the Group entered into subsequent to September 30, 2022. In particular, the unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to ordinary shareholders of the Company as shown on II-1 have not been adjusted to illustrate the effect of any dividends to be distributed as disclosed in the Note 16 "Subsequent Events" to Appendix IB in this document.

After taking into account the dividend distribution as disclosed in the Note 16 "Subsequent Events" to Appendix IB in this document, assuming that the dividend had been declared to shareholders of record as of the close of business on September 30, 2022, and the estimated net proceeds from the issue of the new shares pursuant to the Global Offering at the indicative offer price of HK$88.80 per Offer Share, the unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to ordinary shareholders of the Company would have been RMB18,078,148,000 and the unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to ordinary shareholders of the Company per ordinary share and per ADS would have been RMB56.84 and RMB113.68 (equivalent to HK$61.13 and HK$122.26), respectively, assuming the amounts denominated in Renminbi could have been translated into Hong Kong dollars at the rate of RMB1.00 to HK$1.0754 and United States dollars ("US$") could have been translated into Renminbi at the rate of US$1.00 to RMB7.2996, which is derived from the exchange rate on November 4, 2022 set forth in the H.10 statistical release of the U.S. Federal Reserve Board, respectively. No representation is made that Hong Kong dollars and United States dollars have been, could have been or may be converted to Renminbi, or vice versa, at that rate or at any other rates or at all.

For the calculation of the unaudited pro forma adjusted net tangible asset value per Share attributed to our Shareholders, please see "Unaudited Pro Forma Financial Information" in Appendix II.

LISTING EXPENSES

Listing expenses consist of professional fees, underwriting commissions, and other fees incurred in connection with the Global Offering. We estimate that our listing expenses will be approximately RMB118.4 million (equivalent to HK$127.3 million), representing approximately 25.9% of the gross proceeds from the Global Offering (assuming that the Global Offering is conducted at the indicative offer price per Offer Share of HK$88.80 for both Hong Kong Public Offering and International Offering and the Over-allotment Option is not exercised), among which (a) underwriting-related expenses, including underwriting commissions and other expenses, are expected to be approximately RMB42.4 million (equivalent to HK$45.6 million), and (b) non-underwriting-related expenses are expected to be approximately RMB76.0 million (equivalent to HK$81.7 million), comprising (1) fees and expenses of legal advisers and accountants of approximately RMB55.3 million (equivalent to HK$59.5 million) and (2) other fees and expenses of approximately RMB20.7 million (equivalent to HK$22.2 million). Among the estimated aggregate amount of our listing expenses, (i) approximately RMB90.3 million (equivalent to HK$97.1 million) is directly attributable to the issue of the Offer Shares and will be accounted for as a deduction from equity upon the Listing; and (ii) approximately RMB28.1 million (HK$30.2 million) has been and is expected to be recognized as expenses in our consolidated statements of operations, of which approximately RMB25.2 million (equivalent to HK$27.1 million) has been recognized during the Track Record Period, and the remaining of approximately RMB2.9 million (equivalent to HK$3.1 million) is expected to be recognized by our Group after the Track Record Period. For the years ended December 31, 2019, 2020 and 2021 and the six months ended June 30, 2021 and 2022, we incurred listing expenses of nil, nil, RMB25.2 million (equivalent to HK$27.1 million), nil and RMB1.0 million (equivalent to HK$1.1 million), respectively.

USE OF PROCEEDS

We estimate that we will receive net proceeds from the Global Offering of approximately HK$364.6 million based on an indicative offer price of HK$88.80 per Offer Share and assuming no exercise of the Over-allotment Option, or HK$431.5 million if the Over-allotment Option is exercised in full, after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us.

In line with our strategies, we plan to use the net proceeds of the Global Offering for the following purposes:

- approximately 50% (approximately HK$182.3 million, assuming the Over-allotment Option is not exercised) is expected to be used over the course of the next 3 years for research and development to enhance our technology and credit assessment capabilities, and develop more diversified technology solutions in response to the evolving needs of financial institutions and fine-tune our services and solutions;

- approximately 40% (approximately HK$145.8 million, assuming the Over-allotment Option is not exercised) is expected to be used over the course of the next 3 years for further penetrating the Credit-Tech Industry and expanding user base; and

- approximately 10% (approximately HK$36.5 million, assuming the Over-allotment Option is not exercised) is expected to be used over the course of the next 3 years for general corporate purposes and working capital needs.

To the extent that the net proceeds of the Global Offering are not immediately required for the above purposes or if we are unable to put into effect any part of our development plan as intended, we will place such funds as short term deposits with authorized financial institutions and licensed banks, so long as it is deemed to be in the best interests of our Company. In such event, we will comply with the appropriate disclosure requirements under the Listing Rules.

See "Use of Proceeds" for further details.