As filed with the Securities and Exchange Commission on November 21, 2018

Registration No. 333-

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM F-1
REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933

Puyi Inc.

(Exact Name of Registrant as Specified in its Charter)

Cayman Islands	**8900**	**Not applicable**
(State or Other Jurisdiction of Incorporation or Organization)	(Primary Standard Industrial Classification Code Number)	(I.R.S. Employer Identification Number)

42F, Pearl River Tower
No. 15 Zhujiang West Road, Zhujiang New Town, Tianhe, Guangzhou
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Tel: +86-020-28381666
(Address, including zip code, and telephone number, including area code, of principal executive offices)

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10 E. 40th Street, 10th Floor,
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Approximate date of commencement of proposed sale to the public:

As soon as practicable after this Registration Statement becomes effective.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, check the following box. ☒

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933. Emerging growth company. ☒

If an emerging growth company that prepares its financial statements in accordance with U.S. GAAP, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards † provided pursuant to Section 7(a)(2)(B) of the Securities Act. ☐

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

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the Registration Statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Proposed maximum offering price per share[1]	Amount of registration fee[3]
Ordinary shares, par value $0.001 per share[2]	$ 40,000,000	$ 4,848

(1) The registration fee for securities to be offered by the Registrant is based on an estimate of the Proposed Maximum Aggregate Offering Price of the securities, and such estimate is solely for the purpose of calculating the registration fee pursuant to Rule 457(a).

(2) In accordance with Rule 416(a), the Registrant is also registering an indeterminate number of additional ordinary shares that shall be issuable pursuant to Rule 416 to prevent dilution resulting from share splits, share dividends or similar transactions.

(3) To be paid upon first non-confidential filing of registration statement with the Securities and Exchange Commission.

The information in this prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and is not soliciting an offer to buy these securities in any state or other jurisdiction where the offer or sale is not permitted.

SUBJECT TO COMPLETION, DATED NOVEMBER 21, 2018

American Depositary Shares

Puyi Inc.

Representing Ordinary Shares

This is the initial public offering of ADSs, by Puyi Inc. Each ADS represents ordinary shares, par value $ per share. We expect that the initial public offering price will be between $ and $ per ADS.

No public market currently exists for our ADSs or ordinary shares. We will apply for list the ADSs on the [NASDAQ Global Market/New York Stock Exchange]. We have reserved the symbol "PUYI" for listing on the NASDAQ Global Market. We believe that upon the completion of the offering contemplated by this prospectus, we will meet the standards for listing on the [NASDAQ Global Market/New York Stock Exchange].

We are an "emerging growth company" as defined in the Jumpstart Our Business Act of 2012, as amended, and, as such, will be subject to reduced public company reporting requirements.

An investment in our securities is highly speculative, involves a high degree of risk and should be considered only by persons who can afford the loss of their entire investment. See "Risk Factors" beginning on page 11 of this prospectus.

	Minimum offering amount Per ordinary share	Total	Maximum offering amount Per ordinary share	Total
Initial public offering price	US$	US$	US$	US$
Commissions to the underwriter (%) for sales to investors introduced by the underwriter[1]	US$	US$	US$	US$
Proceeds to our company before expenses[1][2]	US$	US$	US$	US$

(1) We have agreed to pay Network 1 Financial Securities, Inc. (the "Underwriter") a fee equal to % of the gross proceeds of the offering from investors introduced by the Underwriter and a fee equal to % of the gross proceeds of the offering from investors introduced by us. The calculation above is based on the assumption that all shares sold in this offering were to investors introduced by the Underwriter. Proceeds to the company will be higher if any shares sold in this offering were to investors introduced by us. See "Underwriting" in this prospectus for more information regarding our arrangements with the Underwriter.

(2) The total estimated expenses related to this offering are set forth in the section entitled "Underwriting - Discounts, Commissions and Expenses."

The underwriter is selling our ADSs in this offering on a best efforts basis. The offering is being made without a firm commitment by the underwriter, which has no obligation or commitment to purchase any securities. The underwriter must sell the minimum number of securities offered (ADSs) if any securities are sold. The underwriter is required to use only its best efforts to sell the securities offered. One of the conditions to our obligation to sell any securities through the underwriter is that, upon the closing of the offering, the ADSs would qualify for listing on the [NASDAQ Global Market/New York Stock Exchange].

We do not intend to close this offering unless we sell at least a minimum number of ADS, at the price per ADS set forth above, to result in sufficient proceeds to list our ADSs on the [NASDAQ Global Market/New York Stock Exchange]. Because this is a best efforts offering, the underwriter does not have an obligation to purchase any securities, and, as a result, there is a possibility that we may not be able to sell the minimum offering amount. The offering may close or terminate, as the case may be, on the earlier of (i) any time after the minimum offering amount of our ADSs is raised, or (ii) 90 days from the date of effectiveness of this prospectus (and for a period of up to 90 additional days if extended by agreement between us and the underwriter). The proceeds from the sale of the ADSs in this offering will be deposited in a separate (limited to funds received on behalf of us) non-interest bearing bank account at established by our escrow agent, or the Escrow Account, until the minimum offering amount is raised. If we can successfully raise the minimum offering amount within the offering period, the proceeds from the offering will be released to us.

If we do not receive a minimum of US$ by , 2018, all funds will be returned to the investors in this offering promptly after the termination of the offering, without charge, deduction or interest. Prior to , 2018, in no event will funds be returned to the investors unless the offering is terminated.

Neither the Securities and Exchange Commission nor any state securities commission nor any other regulatory body has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The underwriter expects to deliver the ADSs through the book-entry facilities of The Depository Trust Company.

NETWORK 1 FINANCIAL SECURITIES, INC.

Prospectus dated , 2018

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Until , 2018 (the 25th day after the date of this prospectus), all dealers that buy, sell or trade ADSs, whether or not participating in this offering, may be required to deliver a prospectus. This is in addition to the obligation of dealers to deliver a prospectus when acting as underwriters and with respect to their unsold allotments or subscriptions.

You should rely only on the information contained in this prospectus and any free writing prospectus we may authorize to be delivered to you. We have not, and the underwriter has not, authorized anyone to provide you with information different from, or in addition to, that contained in this prospectus and any related free writing prospectus. We and the underwriter take no responsibility for, and can provide no assurances as to the reliability of, any information that others may give you. This prospectus is not an offer to sell, nor is it seeking an offer to buy, these securities in any jurisdiction where the offer or sale is not permitted. The information contained in this prospectus is only accurate as of the date of this prospectus, regardless of the time of delivery of this prospectus and any sale of our ADSs. Our business, financial condition, results of operations and prospects may have changed since that date.

PROSPECTUS SUMMARY

This summary highlights information that we present more fully in the rest of this prospectus. This summary does not contain all of the information you should consider before buying our ADSs in this offering. You should read the entire prospectus carefully, including the "Risk Factors" section and the financial statements and the notes to those statements. In addition, this prospectus contains information from a market research report prepared by China Insights Consultancy, or CIC, an independent industry consultant (the "CIC Report") which was commissioned by us to provide information on our industry and market in China.

Our Business

Puyi is the largest third-party wealth management services provider in China focusing on mass affluent and emerging middle class population, with a 10.4% market share based on 2017 transaction value, according to CIC. We are also the 21st largest third-party wealth management services provider overall in China based on the same metric, according to the same source.

According to CIC, the size of China's mass affluent and emerging middle class totaled 502.0 million with investable assets of RMB115.3 trillion (US$17.4 trillion) at the end of 2017. Currently, a majority of the mass affluent and emerging middle class population in China rely on wealth management products issued and distributed by commercial banks. In April 2018, China's banking and securities regulators jointly released the *Guidelines on Standardizing Asset Management Businesses of Financial Institutions*, or the 2018 Guidelines, which aimed at reining in the banks' supply of off-balance sheet wealth management products and breaking traditional implicit guarantee of returns on wealth management products. As a result, the number of new products issued by banks have declined significantly. It is expected that the mass affluent and emerging middle class population in China will increasingly turn to third-party wealth management service providers for investment advisory services relating to market-oriented products.

We provide wealth management services, corporate finance services and asset management services. Our largest business has been our wealth management services business, under which we distribute wealth management products both online and offline through our branch network. Products distributed online include publicly raised fund products, exchange administered products and asset management plans. Products distributed offline through our branch network are privately raised fund products. (Because we derive revenue from sales commissions paid by product providers of wealth management products, such as fund managers, issuers of exchange administered products and asset management plans, for accounting purposes, we treat these product providers as "customers". We deem "clients" to be the purchasers of the products we distribute.) For the year ended June 30, 2017 and the year ended June 30, 2018, the aggregate transaction value of the wealth management products we distributed totaled RMB5.6 billion and RMB6.0 billion (US$0.9 billion), respectively. In addition, we have a substantial corporate finance services business, under which we provide corporate borrowers with financing solutions, including product design, identification of sources of funding, compliance and risk management. We also have a newly-established and fast-growing asset management business under which we currently manage two FoFs and in preparation of new FoFs and NPL funds.

We adopt a unique social e-commerce sales model to develop our client base. Our approach consists of identifying, fostering and collaborating with seed clients—existing clients who believe in our service capabilities—to actively market our products or services on social media platforms to their families, friends and acquaintances. Our seed clients are supported by our approximately 100 investment advisors, who are responsible for providing seed clients with systematic and continuous professional training on our product offering as well as investment and asset allocation. As of June 30, 2016, 2017 and 2018, the number of our seed clients increased from approximately 16,000 to 25,200 and further to 35,000. Currently we have seed clients in 168 cities in 20 provinces across China. As of June 30, 2018, approximately 20.4% of our total clients were seed clients, but approximately 98% of our total sales for the year ended June 30, 2017 and 2018 were all generated by our seed clients.

We have experienced significant growth in recent years. Our net revenues increased from RMB155.7 million for the year ended June 30, 2017 to RMB165.8 million (US$25.1 million) for the year ended June 30, 2018, primarily due to increases in net revenues from (i) corporate finance services which we began offering at the beginning of 2017; and (ii) asset management services which we launched in 2018. Such increases were partially offset by a decrease in net revenue from our wealth management services, which was primarily due to a combination of (i) an increasing proportion of net revenues derived from distribution of privately raised fund products for which we recognize revenue on a net-commission basis as opposed to a gross-commission basis; and (ii) a decrease in transaction value of exchange administered products as a result of the changing governmental regulatory environment from December 2017 to April 2018. In the foreseeable future, we expect net revenues generated from corporate finance services and asset management services to continue increasing as we continue to expand such services. We also expect the net revenues generated from exchange administered products to increase as we currently do not anticipate further regulatory changes relating to these products. In addition, we expect the total net revenues from distribution of privately raised fund products to continue to increase. However, because our product providers have sole discretion in selecting the sales model (i.e. net commission based or gross commission based), the respective proportion of products offered on a net-commission basis or a gross-commission basis may vary from year to year.

Our net income increased from RMB39.6 million for the year ended June 30, 2017 to RMB63.6 million (US$9.6 million) for the year ended June 30, 2018, primarily due to a combination of (i) a decrease in operating costs and expenses primarily as a result of an increasing proportion of net revenues derived from distribution of products for which we recognize revenue on a net-commission basis as described above; (ii) increases in net revenues driven by corporate finance services and asset management services; and (iii) increases in investment income and interest income.

Our total assets increased from RMB191.7 million as of June 30, 2017 to RMB225.7 million (US$34.1 million), primarily due to (i) an increase in cash and cash equivalents; (ii) purchase of commercial acceptance notes with a principal amount of RMB11.4 million in May 2018; and (iii) short-term loans receivables as a result of a loan to a third party in June 2018, partially offset by a significant decrease in amount due from related parties.

Our Industry

According to CIC, the wealth management services market in China is at an early stage of development and is currently highly fragmented. Major types of service providers include (i) commercial banks; (ii) non-bank traditional financial institutions, or non-bank TFI, such as securities firms, fund managers and insurance companies with internal sales arm; (iii) online-based service providers; and (iv) third-party wealth management service providers that are not associated with financial institutions.

According to CIC, mass affluent population in China is defined as those with investable assets of between RMB600,000 (US$100,000) to RMB6 million (US$1 million), and the emerging middle class is defined as those with investable assets of between RMB30,000 (US$5,000) to RMB600,000 (US$100,000). Driven by China's economic growth and accelerated urbanization rates, the size of China's mass affluent and emerging middle class population has grown rapidly, increasing from 403.7 million in 2013 to 502.0 million in 2017 and is expected to further increase to 642.9 million in 2022, while the percentage of the total population with investable assets increased from 40.6% in 2013 to 48.7% in 2017, and is expected to reach 59.3% in 2022. The amount of investable assets held by such population segments increased from RMB58.2 trillion (US$8.8 trillion) in 2013 to RMB115.3 trillion (US$17.4 trillion) in 2017, and is expected to further increase to RMB192.1 trillion (US$29.0 trillion) in 2022. Despite the vast private wealth held by the emerging middle class and mass affluent population, the current penetration rate of wealth management services in such population segments in China is only less than 25%, which is significantly lower than 50% in the United States, according to CIC. The market size of China's wealth management services for mass affluent and emerging middle class population in terms of transaction value increased from RMB7.8 trillion (US$1.2 trillion) in 2013 to RMB25.2 trillion (US$3.8 trillion) in 2017, or a CAGR of 34.2%, and is expected to further increase to approximately RMB47.3 trillion (US$7.1 trillion) by 2022, or a CAGR of 13.4% from 2017 to 2022, according to the same source.

Compared with the other three types of service providers, third-party wealth management institutions generally have advantages in terms of service capabilities in addition to comprehensive product offering. According to CIC, China's third-party wealth management services market for the mass affluent and emerging middle class population experienced a CAGR of 42.8% from 2013 to 2017 in terms of transaction value, and is expected to reach RMB2,709.6 billion (US$409.5 billion) in 2022, representing a CAGR of 25.2% from 2017 to 2022. According to the same source, the key market trends and drivers in the third-party wealth management services market for mass affluent and emerging middle class population include (i) strengthening supervision of commercial banks, especially after the release of the 2018 Guidelines; (ii) increasing supply of diversified and market-oriented products due to a shortage of bank-distributed wealth management products; (iii) changes in asset allocation and investment preference of mass affluent and emerging middle class population with increasing investment in market-oriented products; and (iv) increasing complexity of the market.

Competitive Strengths

We believe that the following competitive strengths differentiate us from our competitors and have contributed to our rapid and significant growth to date:

- our market position as the largest third-party wealth management services provider focusing on China's mass affluent and emerging middle class population with growing asset management capabilities;
- our unique social e-commerce based sales model driven by seed clients;
- our prudently selected and developed products meeting the specific needs of our client base;
- our collaboration with diverse and high-quality industry players; and
- our visionary senior management team and experienced business team.

Business Strategy

Our business strategy includes the following components:

- continue our expansion while focusing on our target client base;
- strengthen our product offering;
- continue to invest in our IT infrastructure; and
- Enhance our brand recognition in our target markets.

Our Challenges and Risks

Our ability to achieve our goals and execute our strategies is subject to risks and uncertainties, including those associated with:

- our ability to identify or fully appreciate various risks related to wealth management products we distribute;
- our ability to maintain or renew existing licenses or to obtain additional licenses and permits necessary to our business;
- our ability to continue to retain or expand our primary client base targeting the mass affluent and emerging middle class population;
- our ability to adapt to changes in laws and regulations governing the wealth management industry and asset management industry in China;
- our ability to recruit and retain qualified seed clients;
- our ability to collaborate with highly qualified product providers, retain our existing major product providers, or seek alternative or engage new product providers where necessary;
- the investment performance of wealth management products we distribute and/or manage;
- fee rates of our services;
- competition in the wealth management services industry in China; and
- our use of a variable interest entity, or VIE, to operate our private equity businesses.

See "Risk Factors" for a detailed discussion of these and other factors you should consider before making an investment in our ordinary shares.

Corporate Information

Puyi Inc. was incorporated in the Cayman Islands on August 6, 2018. Our principal executive offices are located at 42F, Pearl River Tower, No. 15 Zhujiang West Road, Zhujiang New Town, Tianhe, Guangzhou, Guangdong Province, People's Republic of China, 510620. Our telephone number is +86-020-2838-1666. Our registered office in the Cayman Islands is Avalon Trust & Corporate Services Ltd., Landmark Square, 1st Floor, 64 Earth Close, PO Box 715, Grand Cayman KY1 1107, Cayman Islands. Investors should submit any inquiries to the address and telephone number of our principal executive offices.

Our main website is *www.puyiwm.com*. The information contained on our website is not a part of this prospectus. Our agent for service of process in the United States is Cogency Global Inc., located at 10 E. 40th Street, 10th Floor, New York, NY 10016.

Corporate History and Structure

We commenced our wealth management services business in November 2010 when our founder, chairman of the board and chief executive officer, Mr. Yu Haifeng, founded Fanhua Puyi Investment Management Co., Ltd. (□□□□□□□□□□□□), or Fanhua Puyi, in November 2010. Fanhua Puyi was renamed Fanhua Puyi Fund Distribution Co., Ltd. (□□□□□□□□□□□□) in March 2013.

In 2018, in preparation for our initial public offering, we completed a number of corporate restructuring steps, including:

- *Establishing offshore holding companies*. In August 2018, we incorporated Puyi Inc. as our offshore holding company in the Cayman Islands. In July 2018, we incorporated Puyi Group Limited in the British Virgin Islands, which became the wholly owned subsidiary of Puyi Inc. in August 2018. In July 2018, we incorporated Puyi Holdings (Hong Kong) Limited, or Puyi HK, which became the wholly owned subsidiary of Puyi Group Limited in August 2018.

- *Establishing WFOE*. In August 2018, our PRC WFOE, Puyi Enterprises Management Consulting Co., Ltd. (□□□□□□□□□□□□), or Puyi Consulting, was incorporated in Chengdu, Sichuan, PRC.

- *Transferring of operating entities*. We transferred a number of entities with related businesses under the control of Mr. Yu Haifeng to become subsidiaries of Chengdu Puyi Bohui Information Technology Co., Ltd. (□□□□□□□□□□□□□□□), or Puyi Bohui, our variable interest entity, or VIE. Puyi Bohui has been primarily engaged in providing information technology services to the financial services industry in China. The entities transferred to Puyi Bohui included the following:

    - Fanhua Puyi, which has been the principal entity engaged in wealth management services business. See above. We initially set up Fanhua Puyi with an 84.59% equity interest with the remaining 15.41% held by Beijing Fanlian Investment Co., Ltd. (□□□□□□□□□□), or Beijing Fanlian, a third party. On September 3, 2018, we purchased the remaining equity interest from Beijing Fanlian in exchange for (i) a cash consideration of RMB10,028,117; and (ii) new issuance of 4,033,600 ordinary shares of our company to Fanhua Inc. at a consideration of US$1,468,976.8.

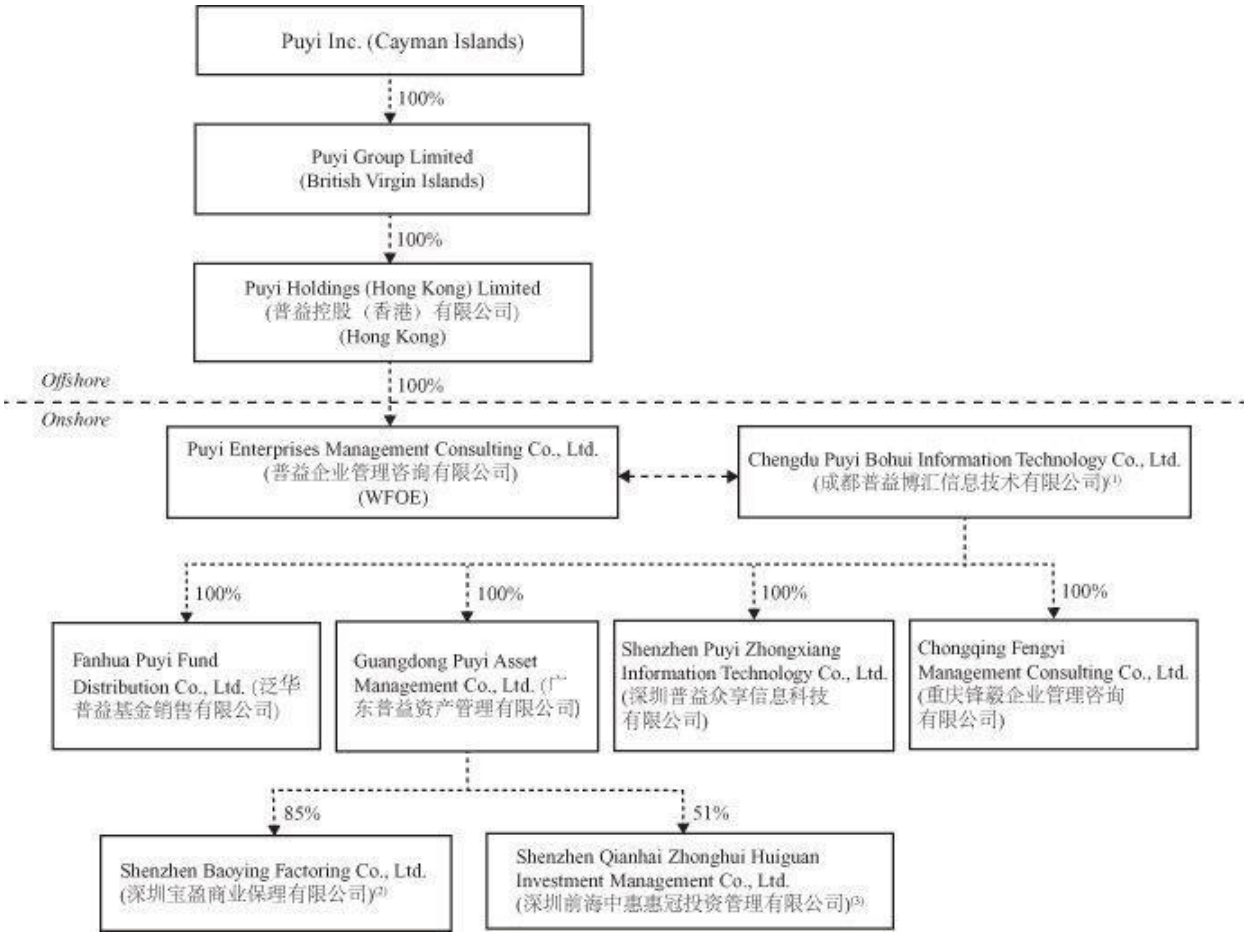
    - Guangdong Puyi Asset Management Co., Ltd. (□□□□□□□□□□□□) (previously known as Guangdong Fanhua Puyi Asset Management Co., Ltd.), or Puyi Asset Management, which primarily operates our FoF business. Puyi Asset Management has two subsidiaries: (i) Shenzhen Baoying Factoring Co., Ltd. (□□□□□□□□□□□□) under which we plan to conduct a factoring business, and (ii) a 51% interest (acquired in July 2018) in Shenzhen Qianhai Zhonghui Huiguan Investment Management Co., Ltd. (□□□□□□□□□□□□□□□□), which primarily operates our non-performing loan management business.

    - Shenzhen Puyi Zhongxiang Information Technology Co., Ltd. (□□□□□□□□□□□□□□□), which primarily distributes our exchange administered products.

    - Chongqing Fengyi Management Consulting Co., Ltd. (□□□□□□□□□□□□□□□), which primarily operates our corporate finance service business.

Due to restrictions imposed by PRC laws and regulations on foreign ownership of companies that engage in asset management, Puyi Consulting entered into a series of contractual arrangements with Puyi Bohui and its shareholders, through which Puyi Consulting has gained full control over the management and receives the economic benefits of Puyi Bohui. See "— Contractual Arrangements."

The following diagram illustrates our corporate structure, including our subsidiaries, interests and consolidated variable interest entities as of the date of this prospectus:



---------► Equity interest

◄- - - -► Contractual arrangement, including the exclusive option agreements, the equity interest pledge agreement, the powers of attorney, the spousal consent, the exclusive technical and consulting services agreement.

(1) Puyi Bohui is held by Mr. Yu Haifeng as to 99.04% and Ms. Yang Yuanfen as to 0.96% respectively.

(2) The remaining 15% of the equity interest is owned by an independent third party.

(3) The remaining 49% of the equity interest is owned by two independent third parties as to 48% and 1%, respectively.

Implications of Being an Emerging Growth Company and a Foreign Private Issuer

We are an "emerging growth company," as defined in the JOBS Act, and we are eligible to take advantage of certain exemptions from various reporting requirements that are applicable to other public companies that are not "emerging growth companies" including not being required to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act, reduced disclosure obligations regarding executive compensation in our periodic reports and proxy statements, and exemptions from the requirements of holding a non-binding advisory vote on executive compensation and shareholder approval of any golden parachute payments not previously approved. We have not made a decision whether to take advantage of any or all of these exemptions. If we do take advantage of any of these exemptions, we do not know if some investors will find our common shares less attractive as a result. The result may be a less active trading market for our common shares and the price of our common shares may be more volatile.

In addition, Section 107 of the JOBS Act also provides that an "emerging growth company" can take advantage of the extended transition period provided in Section 7(a)(2)(B) of the Securities Act of 1933 (the "Securities Act") for complying with new or revised accounting standards. In other words, an "emerging growth company" can delay the adoption of certain accounting standards until those standards would otherwise apply to private companies. We are choosing to "opt in" to such extended transition period for complying with new or revised accounting standards under Section 102(b)(2) of the JOBS Act, which allows us to delay the adoption of new or revised accounting standards that have different effective dates for public and private companies until those standards apply to private companies.

We will remain an "emerging growth company" until the earliest of (i) the last day of the first fiscal year in which our annual gross revenues exceed US$1.07 billion, (ii) the last day of our fiscal year following the fifth anniversary of the completion of this offering; (iii) the date that we become a "large accelerated filer" as defined in Rule 12b-2 under the Securities Exchange Act of 1934 (the "Exchange Act"), which would occur if the market value of our common shares that is held by non-affiliates exceeds $700 million as of the last business day of our most recently completed second fiscal quarter, or (iv) the date on which we have issued more than $1 billion in non-convertible debt during the preceding three-year period. Once we cease to be an emerging growth company, we will not be entitled to the exemptions provided in the JOBS Act discussed above.

We are incorporated in the Cayman Islands, and more than 50 percent of our outstanding voting securities are not directly or indirectly held by residents of the United States. Therefore, we are a "foreign private issuer" as defined in Rule 405 under the Securities Act and Rule 3b-4(c) under the Exchange Act. As a result, we are not subject to the same requirements as U.S. domestic issuers. As a foreign private issuer, we may take advantage of certain provisions in the NASDAQ/NYSE listing rules that allow us to follow Cayman Islands law for certain corporate governance matters. Under the Exchange Act, we will be subject to reporting obligations that, to some extent, are more lenient and less frequent than those of U.S. domestic reporting companies. For example, we will not be required to issue quarterly reports or proxy statements. We will not be required to disclose detailed individual executive compensation information. Furthermore, our directors and executive officers will not be required to report equity holdings under Section 16 of the Exchange Act and will not be subject to the insider short-swing profit disclosure and recovery regime.

Conventions that Apply to this Prospectus

Unless otherwise indicated or the context otherwise requires, references in this prospectus to:

- "CAGR" refers to compound annual growth rate;
- "China" or the "PRC" refers to the People's Republic of China, excluding, for the purpose of this prospectus only, Hong Kong special administrative region, Macau special administrative region and Taiwan;
- "CIC" refers to China Insights Consultancy Limited, the industry consultant;
- "EIT" refers to PRC enterprise income tax;
- "FoF(s)" refers to fund(s) of funds;
- "MOFCOM" refers to the Ministry of Commerce of the PRC;
- "NPL(s)" refers to non-performing loan(s);
- "PIPE" refers to private investment in public equity;
- "Puyi," "we," "us," "our company," and "our" refer to Puyi Inc. and its subsidiary and consolidated entity;
- "QDII" refers to Qualified Domestic Institutional Investor;
- "RMB" and "Renminbi" refer to the legal currency of China;
- "SAFE" refers to the State Administration of Foreign Exchange;
- "TMT" refers to the telecommunications, media and technology;
- "US$," "U.S. dollars," "$" and "dollars" refer to the legal currency of the United States; and
- "VIE" refers to variable interest entity.

Our reporting currency is in Renminbi because all of our business in conducted in China and all of our revenues are denominated in Renminbi. This prospectus contains translations of Renminbi amounts into U.S. dollars at specific rates solely for the convenience of the reader. The conversion of Renminbi into U.S. dollars in this prospectus is based on the exchange rate set forth in the H.10 statistical release of the Board of Governors of the Federal Reserve System. Unless otherwise noted, all translations from Renminbi to U.S. dollars and from U.S. dollars to Renminbi in this prospectus were made at a rate of RMB6.6171 to US$1.00, the exchange rate on June 29, 2018 set forth in the H.10 statistical release of the Board of Governors of the Federal Reserve System. We make no representation that any Renminbi or U.S. dollar amounts could have been, or could be, converted into U.S. dollars or Renminbi, as the case may be, at any particular rate, the rates stated below, or at all. The PRC government imposes control over its foreign currency reserves in part through direct regulation of the conversion of Renminbi into foreign exchange and through restrictions on foreign trade. On November 16, 2018, the exchange rate for Renminbi was RMB6.9367 to US$1.00.

THE OFFERING

Offering price	
ADSs offered by us	Minimum of ADSs and maximum of ADSs.
ADSs outstanding Immediately after this offering	ADSs if the ADSs are offered and sold at the minimum offering amount in this offering, or ADSs if the ADSs are offered and sold at the maximum offering amount in this offering.
Lock-up agreements	We, [our directors and executive officers, our existing shareholders] have agreed with the underwriters not to sell, transfer or dispose of any ADSs or similar securities for a period of [180] days after the date of this prospectus. See "Shares Eligible for Future Sales" and "Underwriting."
Ordinary shares outstanding Immediately before this offering	84,033,600 ordinary shares
The ADSs	Each ADS represents ordinary shares, par value $0.001 per share. The depositary will hold ordinary shares underlying your ADSs. You will have rights as provided in the deposit agreement among us, the depositary and holders and beneficial owners of ADSs from time to time. We do not expect to pay dividends in the foreseeable future. If, however, we declare dividends on our ordinary shares, the depositary will pay you the cash dividends and other distributions it receives on our ordinary shares after deducting its fees and expenses in accordance with the terms set forth in the deposit agreement. You may turn in your ADSs to the depositary in exchange for ordinary shares. The depositary will charge you fees for any exchange. We may amend or terminate the deposit agreement without your consent. If you continue to hold your ADSs after an amendment to the deposit agreement, you agree to be bound by the deposit agreement as amended. To better understand the terms of the ADSs, you should carefully read the "Description of American Depositary Shares" section of this prospectus. You should also read the deposit agreement, which is filed as an exhibit to the registration statement that includes this prospectus.
Depositary	Deutsche Bank Trust Company Americas
Best efforts	The underwriter is selling our ADSs on a "best efforts" basis. We do not intend to close this offering unless we sell at least a minimum number of ADSs, at the price per ADS set forth on the cover page of this prospectus, to result in sufficient proceeds to list our ADSs on the [NASDAQ Global Market/New York Stock Exchange]. We expect that delivery of the ADSs will be made to investors through the book-entry facilities of The Depository Trust Company.
Offering period	The ADSs are being offered for a period of 90 days commencing from the date of this prospectus (and for a period of up to 90 additional days if extended by agreement between us and the underwriter). If the minimum offering amount is not raised within 90 days from the date of this prospectus, all subscription funds from the escrow account will be returned to investors promptly without interest (since the funds are being held in a non-interest bearing account) or deduction of fees. The offering may close or terminate, as the case may be, on the earlier of (i) any time after the minimum offering amount of our ADSs is raised, or (ii) 90 days from the date of this prospectus (and for a period of up to 90 additional days if extended by agreement by us and the underwriter). If we can successfully raise the minimum offering amount within the offering period, the proceeds from the offering will be released to us from the escrow account.

Escrow account	The proceeds from the sale of the ADSs in this offering will be payable to “ Escrow Account” and will be deposited in a separate non-interest bearing bank account (limited to funds received on our behalf) until the minimum offering amount is raised. No interest will be available for payment to either us or the investors (since the funds are being held in a non-interest bearing account). All subscription funds will be held in escrow pending the raising of the minimum offering amount and no funds will be released to us until the completion of the offering. Release of the funds to us is based upon the Escrow Agent (defined below) reviewing the records of the depository institution holding the escrow to verify that the funds received have cleared the banking system prior to releasing the funds to us. All subscription information and subscription funds through checks or wire transfers should be delivered to the Escrow Agent. Failure to do so will result in subscription funds being returned to the investor. If we do not receive a minimum of US$ by , 2018, all funds will be returned to the investors in this offering by noon of the next business day after the termination of the offering, without charge, deduction or interest. Prior to , 2018, in no event will funds be returned to the investors unless the offering is terminated. The investors will only be entitled to receive a refund of their subscription price if we do not raise a minimum of US$ by , 2018. No interest will be paid either to us or to the investors. We have appointed Continental Stock Transfer & Trust Company, an independent third party, as our escrow agent, or the “Escrow Agent”.

SUMMARY CONSOLIDATED FINANCIAL DATA

The following summary consolidated statements of income data for the year ended June 30, 2017 and 2018, and summary consolidated balance sheet data as of June 30, 2017 and 2018 and summary consolidated cash flow data as of June 30, 2017 and 2018 have been derived from our audited consolidated financial statements included elsewhere in this prospectus. Our consolidated financial statements are prepared and presented in accordance with generally accepted accounting principles in the United States of America, or U.S. GAAP. You should read this Summary Consolidated Financial Data income data section together with our consolidated financial statements and the related notes and "Management's Discussion and Analysis of Financial Condition and Results of Operations" included elsewhere in this prospectus. Our historical results are not necessarily indicative of results expected for future periods.

Summary Consolidated Statements of Income data:

	For the year ended June 30,		
	2017	**2018**	**2018**
	RMB	**RMB**	**US$**
	(combined, in thousands)		
Net revenues:			
Wealth management services	144,925	140,403	21,218
Corporate finance services	773	13,710	2,072
Asset management services	-	103	16
Information technology services and others	9,993	11,595	1,752
Total net revenues	**155,691**	**165,811**	**25,058**
Operating costs and expenses:			
Cost of sales	(53,397)	(28,825)	(4,356)
Selling expenses	(34,969)	(45,470)	(6,872)
General and administrative expenses	(20,088)	(28,623)	(4,326)
Total operating costs and expenses	**(108,454)**	**(102,918)**	**(15,554)**
Income from operations	**47,237**	**62,893**	**9,504**
Other income, net:			
Investment income	1,715	5,144	777
Interest income	51	3,640	550
Interest expenses	(2,311)	-	-
Others, net	843	201	31
Income from continuing operations before income taxes and discontinued operations	**47,535**	**71,878**	**10,862**
Income tax expense	(7,641)	(8,261)	(1,248)
Net income from continuing operations	**39,894**	**63,617**	**9,614**
Net loss from discontinued operations, net of tax	(254)	-	-
Net income	**39,640**	**63,617**	**9,614**
less: net income (loss) attributable to non-controlling interests	1,827	(979)	(148)
Net income attributable to the Company's shareholders	**37,813**	**64,596**	**9,762**

	For the year ended June 30,		
	2017	2018	2018
	RMB	RMB (combined)	US$
Net income per share:			
Basic and Diluted			
Net income from continuing operations	0.476	0.807	0.122
Net loss from discontinued operations	(0.003)	-	-
Net income	0.473	0.807	0.122
Weighted average number of shares used in computation:			
Basic:	80,000,000	80,000,000	80,000,000
Diluted	80,000,000	80,000,000	80,000,000

Summary Consolidated Balance Sheet Data, Statements of Financial Position

	As of June 30,		
	2017	2018	2018
	RMB (combined)	RMB	US$
		(in thousands)	
Total current assets	185,127	214,574	32,427
Total assets	191,663	225,866	34,134
Total current liabilities	33,113	32,214	4,869
Total liabilities	33,113	32,214	4,869
Total equity interest attributable to the company	148,712	184,793	27,927
Non-controlling interests	9,838	8,859	1,338

Summary Consolidated Statements of Cash Flow Data:

	For the year ended June 30,		
	2017	2018	2018
	RMB	RMB	US$
		(combined, in thousands)	
Net cash (used in) provided by operating activities	(23,069)	44,916	6,788
Net cash provided by investing activities	21,074	10,047	1,518
Net cash used in financing activities	(26,194)	-	-
Net (decrease) increase in cash and cash equivalents, and restricted cash	(28,189)	54,963	8,306
Cash and cash equivalents at beginning of year	85,226	57,037	8,620
Cash and cash equivalents at end of year	57,037	112,000	16,926

RISK FACTORS

An investment in our ADSs involves significant risks. You should consider carefully all of the information in this prospectus, including the risks and uncertainties described below, before making an investment in our ADSs. Any of the following risks could have a material adverse effect on our business, financial condition and results of operations. In any such case, the market price of our ADSs could decline, and you may lose all or part of your investment.

Risks Related to Our Business and Industry

The wealth management products that we distribute involve various risks and our failure to identify or fully appreciate such risks will negatively affect our reputation, client relationships, operations and prospects.

Under our wealth management services, we distribute a broad variety of wealth management products. The products we distribute can be divided into products distributed online and those distributed offline. These products often have different structures and involve various risks, including default risks, interest risks, liquidity risks and other risks. Our success in distributing these products depends, in part, on our successful identification and full appreciation of risks associated with such products. Not only must we keep pace with third-party wealth management product providers and prudently select products, but we must also accurately describe the products to, and evaluate them for, our clients. Although we seek to implement strict risk management policies and procedures, our risk management policies and procedures may not be fully effective in mitigating the risk exposure of our clients in all market environments or against all types of risks. Moreover, clients could experience losses on raised capital as a result of poor investment performance by our distributed funds. In addition, in the event that any of the distributed funds under our management were to perform poorly, it would be more difficult for us to raise new capital. If we fail to identify and fully appreciate any of the aforementioned risks associated with products we distribute to our clients, or fail to disclose such risks to our clients, and as a result our clients suffer financial loss or other damages resulting from their purchase of the wealth management products following our wealth management and product recommendations and services, our reputation, client relationships, business and prospects will be materially and adversely affected.

If we fail to maintain or renew existing licenses or to obtain additional licenses and permits necessary to conduct our operations in China pursuant to applicable laws and regulations from time to time governing our operations, we may be subject to limitations or uncertainties with respect to our business activities and render our operations non-compliant, and our business would be materially and adversely affected.

China's wealth management marketplace is a relatively new and evolving industry, and the laws and regulations governing our services are still developing. There are substantial uncertainties as to the legal system and the interpretation and implementation of the PRC laws and regulations applicable to the wealth management industry. To date, the PRC government has adopted a unified regulatory framework governing the distribution and management of publicly raised fund products and asset management plans issued by securities companies; however, currently only an interim regulatory framework exists to govern privately raised fund products. In addition, only two regulatory documents issued by the State Council set out the prohibitive provisions regarding local financial assets exchanges and exchange administered products. Exchange administered products are currently mainly subject to the regulation of the local office of finance at the provincial and municipal levels.

Currently, a license is required for the distribution of publicly raised fund products and asset management plans issued by securities companies. The distribution of privately raised fund products by non-licensed distributors is not prohibited by the current applicable laws and regulations. Fanhua Puyi has obtained a fund distribution license from CSRC and we entered into a majority of fund distribution agreements with fund managers through this subsidiary. To comply with PRC laws and regulations, for certain privately raised fund products and asset management plans, we may collect distribution commissions in the form of advisory service fees under advisory service agreements with fund managers which is not prohibited by the current applicable laws and regulations.

In addition, fund managers managing privately raised funds are required to register with Asset Management Association of China, or AMAC; unregistered individuals or institutions are not permitted to conduct securities investment activities under the names of "funds" or "fund management." We are in the process of applying for the license to operate as a fund manager for privately raised funds. To comply with PRC laws, we currently collaborate with licensed fund managers and structure our fund management services as advisory services to them. Neither the fund management services under advisory service agreements with fund managers, nor our service fees generated from such agreements are prohibited by the applicable laws and regulations. However, we cannot assure you that the relevant PRC government will agree with our interpretation of the relevant laws and regulations. If the PRC government interprets the relevant rules differently and deems our role in such arrangements requiring the fund management license, it may order us to cease our provision of fund management services until our relevant entities successfully acquire the fund management license. We cannot assure you that our relevant entities will be able to obtain the fund management license promptly, if at all, and any failure to do so would require us to permanently cease such services, which may materially and adversely affect our business.

As the wealth management services industry in China is at an early stage of development, new applicable laws and regulations may be adopted to address new issues that arise from time to time or to require additional licenses and permits for distribution of products other than funds such as asset management plans and exchange administered products. As a result, substantial uncertainties exist regarding the evolution of the regulatory system and the interpretation and implementation of current and any future Chinese laws and regulations applicable to the wealth management services industry.

We cannot assure you that we will be able to maintain our existing licenses and permits, renew any of them when their current term expires or obtain additional licenses requisite for our future business expansion. If we are unable to maintain and renew one or more of our current licenses and permits, or obtain such renewals or additional licenses requisite for our future business expansion on commercially reasonable terms, our operations and prospects could be materially disrupted. Moreover, new PRC regulations promulgated in the future may require that we obtain additional licenses or permits in order to continue to conduct our business operations; however, we can give no guarantee that we would be able to obtain such licenses or permits in a timely fashion, or at all. If any of the foregoing were to occur, our business, financial condition and prospects would be materially and adversely affected.

If certain categories of products currently traded on local financial assets exchanges become restricted or prohibited, or if local financial assets exchanges are prohibited from listing exchange administered products, our business, financial condition and prospects would be materially and adversely affected.

Since December 2016, we have collaborated with two local financial assets exchanges, namely, Tianjin Financial Asset Exchange and Guangzhou Financial Asset Exchange, to distribute financial products administered by them. Unlike fund products and asset management plans, the PRC government has not adopted a regulatory framework governing such local exchanges or the listing, trading and distribution of exchange administered products. The local financial assets exchanges are established upon approval of the local governments, and the exchange administered products listed and traded on these exchanges are filed with and approved by local financial assets exchanges under the supervision of the offices of finance at the municipal and provincial levels. As a result, the major product types selected for distribution on such exchanges are dependent upon the local regulatory environment and policies. If any significant product types are discouraged by the local government authorities, our product portfolio, distribution services and related revenues may be negatively impacted. For example, historically a significant number of exchange administered products we distributed were for purposes of real estate development financing and local government financing, and many were highly leveraged. Since the end of 2017, as a result of the changing governmental regulatory environment to support industries in the "new economy" and consumption economy, the number of real estate financing products and securities investment products decreased dramatically from December 2017 to April 2018 and adversely affected the transaction value and revenue of our distribution services.

In addition, although the local financial exchanges are regulated by the local government subject to the two prohibitive provisions issued by the State Council, we cannot guarantee that they would not be covered by the tightened national financial supervision system. If they are subject to approval or guidance of any national regulatory bodies, such as the People's Bank of China, China Banking and Insurance Regulatory and Administration Committee, or the CSRC, these financial exchanges may be prohibited from listing certain or all of the products currently traded on such exchanges, or be prohibited from engaging in such listing and trading services. In such circumstances, we may have to change our business model or cease to distribute exchange administered products, and as a result, our business, financial condition and prospects would be materially and adversely affected.

We may not be able to continue to retain or expand our primary client base targeting the mass affluent and emerging middle class population or maintain or increase the amount of investment made by our primary clients in the products we distribute.

We target China's large population of mass affluent and emerging middle class individuals as our clients. In light of China's rapidly-evolving wealth management industry, we cannot assure you that we will be able to maintain and increase the number of our clients or that our existing clients will maintain the same level of investment in the wealth management products that we distribute. As China's wealth management industry is at an early stage of development and is currently highly fragmented, we face competition from numerous types of market players including commercial banks, non-bank traditional financial institutions and online-based service providers. Moreover, many of our existing and future competitors may be better equipped, adopt better sales and marketing approach to focus on our target clients, and may capture market opportunities to grow their client bases more effectively compared to us. In addition, the evolving regulatory landscape of China's financial service industry may not affect us and our competitors proportionately with respect to the ability to maintain or grow our client base. We may lose our leading position if we fail to maintain or further grow our client base at the same pace. A decrease in the number of our clients or a decrease in their spending on the products that we distribute may reduce revenues derived from our wealth management services and our asset management services. If we fail to continue to meet our clients' expectations on the returns from the products we distribute or manage or if they are no longer satisfied with our services, they may leave us for our competitors and our reputation may be damaged by these clients, which may in turn adversely affect our financial condition, results of operations and ability to attract new clients.

If we are required to obtain ICP licenses for the operation of our two apps, we may not be able to offer relevant information and transaction processing services and our business and operations may be negatively affected.

We have launched two mobile apps, "Puyi Fund" (□□□□) and "Puyitou" (□□□), to facilitate our clients to complete transaction online for publicly raised fund products and exchange administered products, respectively. We do not have any web-based online platforms. According to the Provisions on the Administration of Mobile Internet Application Information Services, or the App Provisions, issued by Cyberspace Administration of China on June 28, 2016, any owner or operator providing information services through a mobile internet application, or an "app," must obtain the relevant qualification(s) as required by laws and regulations. The App Provisions, however, do not further clarify the scope of "information services," nor do they specify what "relevant qualification(s)" that an app owner/operator must obtain. In practice, operational activities of a company conducted through an app is currently subject to the supervisions of local departments of the Information Communications Administration, and often, the local departments differentiate the operational activities conducted through websites and through apps. In many cases, standalone apps through which a company provides information services without any web-based online services are not required to obtain ICP licenses. However, the interpretation and enforcement of such laws and regulations are subject to substantial discretion of the local authorities. We cannot rule out the possibility that the local departments of the Information Communications Administration would take the view that the current primary information services and transaction processing services provided by us through the two apps would require an ICP license, or that without such license, we would be prohibited from rendering such services. If such ICP licenses are required for our two apps, our inability to obtain them in a timely manner or at all may have a material adverse effect on our business and operations.

If we fail to recruit and retain qualified seed clients, our business could suffer.

We rely on our seed clients to market our products or services to potential clients as well as to provide services to and to develop and maintain relationships with our existing clients. As we further grow our business and expand into new cities and regions, our need for high quality seed clients will increase. We have been actively recruiting and will continue to recruit qualified seed clients to join our coverage network. However, there is no assurance that we can recruit and retain a sufficient number of seed clients who meet our high quality requirements to support our further growth. In some of the branch offices that we have recently established or plan to establish, the client pool from which we can recruit seed clients is smaller than in major economic centers such as Shanghai and Beijing. Even if we are able to recruit sufficient seed clients, we may need to incur significant training and administrative related expenses in order to prepare them to market our products or services, which would increase our operating costs and reduce our profitability. In addition, we pay our seed clients commissions as returns. Although such commissions are currently not prohibited by applicable laws and regulations, we cannot assure you that relevant authorities would not deem that our seed clients are distributing products on our behalf and prohibit such commissions in the future. If so, we may be subject to fines and/or may be ordered to cease paying such fees to our seed clients, we may be unable to attract and retain highly productive seed clients, and our business could be materially and adversely affected.

We rely on highly qualified product providers that we collaborate with.

We view our collaborative relationships as a core asset for developing our wealth management business, product portfolios and professional networks. We source products from quality third-party providers in China, including 17 fund managers, three leading securities firms and two local financial assets exchanges to date. These parties have contributed to a majority of our fund products and all of our asset management plans and exchange administered products. In addition, we also actively seek collaborative opportunities with well-recognised fund managers to manage our FoFs, which can help us to deliver returns to our clients in a cost-effective manner. As such, our business is heavily dependent on our relationships with these third parties. Although we have maintained stable relationships with them, any material deterioration or termination of our relationships with any major product providers, or fund managers, or the failure to further expand our network with such third parties, could inhibit our ability to secure products or manage funds, which in turn would have a material adverse effect on our business, financial condition and growth prospects. In addition, a decline in the financial condition of one or more our third party product providers may expose us to credit losses or defaults, limit our access to liquidity or otherwise disrupt the operations of our businesses. Downgrades in the credit or financial strength ratings assigned to the counterparties with whom we collaborate or other adverse reputational impacts to such counterparties could create the perception that our financial condition will be adversely impacted as a result of potential future defaults by such counterparties, thereby having a negative impact on our business and operating performance as well as on the confidence in our products.

A decline in the investment performance of products distributed or managed by us could negatively impact our revenues and profitability.

Investment performance is a key competitive factor for products distributed or managed by us. Strong investment performance helps us to retain and expand our client base and helps us to generate new sales of products and services, and therefore is an important element to our goals of maximizing the value of products and services provided to our clients or the assets under management, or AUM. There can be no assurance as to how future investment performance will compare to our competitors or that historical performance will be indicative of future returns. Any drop or perceived drop in investment performance as compared to our competitors could cause a decline in sales of our investment products and services. These impacts may also reduce our aggregate amount of assets under management and management fees. Poor investment performance could also adversely affect our ability to expand the distribution of third-party wealth management products and our self-developed products.

In addition, the profitability of our growing asset management services depends on, among others, fees charged based on the AUM under management. Any impairment on the assets that we manage, whether caused by fluctuations or downturns in the underlying markets or otherwise, will reduce our revenues generated from asset management business, which in turn may materially and adversely affect our overall financial performance and results of operations.

Any material change in fund sales models adopted by the fund managers that we collaborate with may have a significant impact on our revenues, cost of sales and results of operations.

Our largest business line is wealth management services, and a significant majority of our wealth management services revenue is derived from privately raised fund products. Currently in China, a product provider (i.e. a fund manager) of privately raised fund products has sole discretion in selecting the sales model of its fund products as under either a direct sales model or distributions on a commission basis model. The sale model selected by the fund manager determines whether we need to pay commissions to seed clients and thereby recognize such commissions as our cost of sales. Under the direct sales model, we generate revenue on net-commission basis. In contrast, we generate revenue on a gross-commission basis under the distribution on commission basis model. See “Management’s Discussion and Analysis of Financial Condition and Results of Operations - Major Factors Affecting Our Results of Operations - Product Mix.” Moreover, the fund manager can subsequently change the sales model during the term of the relevant fund. Given that the selection of the sales model is at the sole discretion of the fund manager and is outside of our control, the respective proportion of products that we offer on a net-commission basis or a gross-commission basis may vary from year to year, which may lead to fluctuations in our net revenues, cost of sales and gross margin. For the year ended June 30, 2018, as one of our major product providers that previously elected to distribute under the gross-commission model subsequently changed its distribution model to net-commission based, our revenue from fund products under the net commission model increased significantly to RMB51.9 million (US$7.8 million) from RMB5.2 million for the year ended June 30, 2017 while our revenue from fund products under the gross commission model significantly decreased to RMB36.9 million (US$5.6 million) from RMB80.5 million for the year ended June 30, 2017. Our operating costs and expenses as a percentage of our revenue decreased from 69.7% for the our year ended June 30, 2017 to 62.1% for the year June 30, 2018. As a result of the foregoing, any material change in fund sales models adopted by our fund managers may have a significant impact on our revenues, cost of sales and results of operations.

Any material decrease in the fee rates for our services may have an adverse effect on our revenues, cash flow and results of operations.

We derive a majority of our revenues from distribution commissions and performance-based fees from wealth management services, the management fees and carried interest from the funds that we manage and service fees from our corporate finance services. The relative fee rates are negotiated between us and third-party product providers or the investors or corporate borrowers, and vary from product to product. Although the fee rates within any given category of the products we distribute or manage remained relatively stable during the applicable periods referenced in this prospectus, future fee rates may be subject to change based on the prevailing political, economic, regulatory, taxation and competitive factors that affect product providers or investors. In addition, the fee rates of our corporate finance services depend on complexity of financing needs and designed structure of each deal. These factors, which are not within our control, include the capacity of product providers to place new business and realize profits, client demand and preference for wealth management products and financing services, the availability of comparable products from other product providers at a lower cost and the availability of alternative wealth management products to clients. In addition, the historical volume of wealth management products that we distributed or managed may have a significant impact on our bargaining power with third-party wealth management product providers in relation to the fee rates for future products. Because we do not determine, and cannot predict, the timing or extent of fee rate changes with respect to the wealth management products as well as fund management and corporate finance services, it is difficult for us to assess the effect of any of these changes on our operations. In order to maintain our relationships with the product providers and to enter into contracts for new products, we may have to accept lower distribution commission rates or other less favorable terms, which could reduce our revenues. Furthermore, as we continue to grow our corporate finance business and asset management business, we may face similar fee rates risk in connection with the provision of related services.

We depend on a small number of third-party product providers to derive a significant portion of our net revenues and this dependence is likely to continue.

We derive a significant portion of our net revenues from a limited number of third-party wealth management product providers. For accounting purposes, we treat these third-party product providers as our customers under our wealth management services. For the fiscal years ended June 30, 2017 and 2018, three of our product providers each accounted for more than 10% of our total net revenues and collectively accounted for 74.3% and 72.5% of our total net revenues, respectively. If we lose any one of our major product providers or any of these product providers significantly reduces its volume of business with us, our net revenues and profitability would be substantially reduced if we are unable seek alternative product providers on a timely basis, or at all. In addition, the product volume we source and distribute from specific product providers may vary from period to period, particularly because we are not the exclusive distributor for any particular product provider. Our high customer concentration may also adversely affect our ability to negotiate fee rates with these product providers, which may in turn materially and adversely affect our results of operations.

Our risk management policies and procedures may not be fully effective in identifying or mitigating risk exposure in all market environments or against all types of risk, including employee and seed client misconduct.

We have devoted significant resources to developing our risk management policies and procedures and will continue to do so. Nonetheless, our policies and procedures to identify, monitor and manage risks may not be fully effective in mitigating our risk exposure in all market environments or against all types of risk. Many of our risk management policies are based upon observed historical market behavior or statistics based on historical models. During periods of market volatility or due to unforeseen events, the historically derived correlations upon which these methods are based may not be valid. As a result, these methods may not predict future exposures accurately, which could be significantly greater than what our models indicate. This could cause us to incur investment losses or cause our hedging and other risk management strategies to be ineffective. Other risk management methods depend upon the evaluation of information regarding markets, clients, catastrophe occurrence or other matters that are publicly available or otherwise accessible to us, which may not always be accurate, complete, up-to-date or properly evaluated.

Moreover, we are subject to the risks of errors and misconduct by our employees and seed clients, which include:

- engaging in misrepresentation or fraudulent activities when marketing or distributing wealth management products to clients;
- improperly using or disclosing confidential information of our clients, third-party wealth management product providers or other parties;
- concealing unauthorized or unsuccessful activities; or
- otherwise not complying with laws and regulations or our internal policies or procedures

Although we have established an internal compliance system to supervise service quality and regulation compliance, these risks may be difficult to detect in advance and deter, and could harm our business, results of operations or financial performance.

In addition, although we perform due diligence on potential clients, we cannot assure you that we will be able to identify all the possible issues based on the information available to us. If certain investors do not meet the relevant qualification requirements for products we distribute or under applicable laws, we may also be deemed in default of the obligations required by law and in our contract with the product providers. Management of operational, legal and regulatory risks requires, among other things, policies and procedures to properly record and verify a large number of transactions and events, and these policies and procedures may not be fully effective in mitigating our risk exposure in all market environments or against all types of risk.

Our business is subject to risks related to lawsuits and other claims brought by our clients.

We are subject to lawsuits and other claims in the ordinary course of our business. In particular, we may face arbitration claims and lawsuits brought by our clients who have bought wealth management products based on our recommendations which turned out to be unsuitable. We may also encounter complaints alleging misrepresentation on the part of our employees and seed clients or that we have failed to carry out a duty owed to them. This risk may be heightened during periods when credit, equity or other financial markets are deteriorating in value or are volatile, or when clients or investors are experiencing losses. Actions brought against us may result in settlements, awards, injunctions, fines, penalties or other results adverse to us including harm to our reputation. The contracts between ourselves and third-party wealth management product providers do not provide for indemnification of our costs, damages or expenses resulting from such lawsuits. Even if we are successful in defending against these actions, the defense of such matters may result in our incurring significant expenses. Predicting the outcome of such matters is inherently difficult, particularly where claimants seek substantial or unspecified damages, or when arbitration or legal proceedings are at an early stage. A substantial judgment, award, settlement, fine, or penalty could be materially adverse to our operating results or cash flows for a particular future period, depending on our results for that period.

Our reputation and brand recognition are crucial to our business. Any harm to our reputation or failure to enhance our brand recognition may materially and adversely affect our business, financial condition and results of operations.

Our reputation and brand recognition, which primarily depends on earning and maintaining the trust and confidence of current or potential clients, is critical to our business. Our reputation and brand are vulnerable to many threats that can be difficult or impossible to control, and costly or impossible to remediate. Regulatory inquiries or investigations, lawsuits initiated by clients or other third parties, employee or seed client misconduct, perceptions of conflicts of interest and rumors, among other things, could substantially damage our reputation, even if they are baseless or satisfactorily addressed. In addition, any perception that the quality of our wealth management and product recommendations and services may not be the same as or better than that of other wealth management advisory firms or wealth management product distributors can also damage our reputation. Moreover, any negative media publicity about the financial service industry in general or product or service quality problems of other firms in the industry, including our competitors, may also negatively impact our reputation and brand. If we are unable to maintain a good reputation or further enhance our brand recognition, our ability to attract and retain clients, wealth management product providers and key employees could be harmed and, as a result, our business and revenues would be materially and adversely affected.

We face significant competition in the wealth management services industry, and if we are unable to compete effectively with our existing and potential competitors, we could lose our market share and our results of operations and financial condition may be materially and adversely affected.

The wealth management market in China is at an early stage of development and is currently highly fragmented and competitive, and we expect competition to persist and intensify. In distributing wealth management products, we face direct competition primarily from (i) commercial banks, (ii) non-bank traditional financial institutions, such as securities firms, fund managers and insurance companies with internal sales capabilities, (iii) online-based service providers, and (iv) third-party professional wealth management services providers that are not associated with financial institutions. In addition, there is a risk that we may not successfully identify new product and service opportunities or develop and introduce these opportunities in a timely and cost-effective manner. New competitors that are better adapted to the wealth management services industry may emerge, which could cause us to lose market share in key market segments.

Our competitors may have greater financial and marketing resources than we do. For example, the commercial banks we compete with tend to enjoy significant competitive advantages due to their nationwide distribution network, established brand and credit, and much larger client base and settlement capabilities. Moreover, many of the wealth management product providers with whom we currently have relationships, such as fund managers or securities firms, are also engaged in, or may in the future engage in, the distribution of wealth management products and they may benefit from their vertical integration of manufacturing and distribution.

In addition, the corporate finance services market is highly fragmented and we may face fierce competition. In the asset management services sector, we may also face competition from fund management companies that have emerged or will emerge in the asset management business in China in the foreseeable future.

Our failure to respond in a timely and cost-effective manner to rapid product innovation in the financial industry may be have an adverse effect on our business and operating results.

The financial industry is increasingly influenced by frequent new product and service introductions and evolving industry standards. We believe that our future success will depend on our ability to continue to anticipate product innovations and to offer additional product and service opportunities that meet evolving standards on a timely and cost-effective basis. There is a risk that we may not successfully identify new product and service opportunities or develop and introduce these opportunities in a timely and cost-effective manner. In addition, product and service opportunities that our competitors develop or introduce may render our products and services noncompetitive. As a result, we can give no assurances that product innovation that may affect our industry in the future will not have a material adverse effect on our business and results of operations.

We may not be able to effectively manage our growth or implement our future business strategies, in which case our business and results of operations may be materially and adversely affected.

We have experienced a period of rapid growth and expansion that has placed, and continues to place, significant strain on our management and resources. We believe that our continued growth will depend on our ability to effectively implement our business strategy and address the above listed factors that may affect us. In order to strengthen our market position in the wealth management services industry targeting the mass affluent and emerging middle class population in China, we need to allocate substantial resources to enhance our ability to source and distribute third-party wealth management products, design and develop high-quality products and continue to grow our asset management business. Moreover, while our corporate finance services business has expanded rapidly for the year ended June 30, 2018, we only began to offer such services recently and have limited experience in operating such business. Accordingly, our ability to continue expanding our corporate finance services is unproven and subject to uncertainties. We anticipate that we will also need to implement a variety of enhanced and upgraded operational and financial systems, procedures and controls, including the improvement of our accounting and other internal management systems. All of these endeavors involve risks and will require substantial management efforts, attention and skills, and significant additional expenditure. We cannot assure you that our current and planned personnel, systems, procedures and controls will be adequate to support our future operations. In addition, we cannot assure you that we will be able to manage our growth or implement our future business strategies effectively, and failure to do so may materially and adversely affect our business and results of operations.

Any significant failure in our information technology systems could have a material adverse effect on our business and profitability.

Our business is highly dependent on the ability of our information technology systems to timely process a large amount of information of wealth management products, clients and transactions. The proper functioning of our OA system, finance system, investment advisor platform, operation database client service and other data processing systems, together with the communication systems between our various branch offices and our headquarters in Guangzhou, is critical to our business and to our ability to compete effectively. In particular, we rely on the online service platforms provided through our two apps, Puyitou (□□□) and Puyi Fund (□□□□) to provide our clients with up-to-date product-related information online and a full-scope online transaction processing whereby clients can execute transactions and monitor their investments portfolio. We cannot assure you that our business activities would not be materially disrupted in the event of a partial or complete failure of any of these information technology or communication systems, which could be caused by, among other things, software malfunction, computer virus attacks or conversion errors due to system upgrading. In addition, a prolonged failure of our information technology system could damage our reputation and materially and adversely affect our future prospects and profitability.

Any failure to protect our clients' privacy and confidential information could lead to legal liability, adversely affect our reputation and have a material adverse effect on our business, financial condition or results of operations.

Our services involve the exchange, storage and analysis of highly confidential information, including detailed personal and financial information regarding our mass affluent and emerging middle class clients and corporate borrower clients, through a variety of electronic and non-electronic means, and our reputation and business operations are highly dependent on our ability to safeguard the confidential personal data and information of our clients. We rely on a network of process and software controls to protect the confidentiality of data provided to us or stored on our systems. We face various security threats on a regular basis, including cyber-security threats to and attacks on our technology systems that are intended to gain access to our confidential information, destroy data or disable our systems.

If we do not take adequate measures to prevent security breaches, maintain adequate internal controls or fail to implement new or improved controls, this data, including personal information, could be misappropriated or confidentiality could otherwise be breached. We could be subject to liability if we fail to prevent security breaches, improper access to, or inappropriate disclosure of, any client's personal information, or if third parties are able to illegally gain access to any client's name, address, portfolio holdings, or other personal and confidential information. Although we have developed systems and internal control processes that are designed to prevent or detect security breaches and protect our clients' data, we cannot assure you that such measures will provide absolute security. Any such failure could subject us to claims for identity theft or other similar fraud claims or claims for other misuses of personal information, such as unauthorized marketing or unauthorized access to personal information. In addition, such events would cause our clients to lose their trust and confidence in us, which may result in a material adverse effect on our business, results of operations and financial condition.

We may not be able to prevent unauthorized use of our intellectual property, which could reduce demand for the products that we distribute and our services, adversely affect our revenues and harm our competitive position.

We rely primarily on a combination of copyright, trade secret, trademark and anti-unfair competition laws and contractual rights to establish and protect our intellectual property rights. We cannot assure you that the steps we have taken or will take in the future to protect our intellectual property or piracy will prove to be sufficient. For example, although we require our employees, wealth management product providers and seed clients to enter into confidentiality agreements in order to protect our trade secrets, other proprietary information and, most importantly, our client information, these agreements might not effectively prevent disclosure of our trade secrets, know-how or other proprietary information and might not provide an adequate remedy in the event of unauthorized disclosure of such confidential information. In addition, others may independently discover trade secrets and proprietary information, and in such cases we could not assert any trade secret rights against such parties. Implementation of intellectual property-related laws in China has historically been lacking, primarily due to ambiguity in the PRC laws and enforcement difficulties. Accordingly, intellectual property rights and confidentiality protection in China may not be as effective as in the United States or other countries. Current or potential competitors may use our intellectual property without our authorization in the development of products and services that are substantially equivalent or superior to ours, which could reduce demand for our solutions and services, adversely affect our revenues and harm our competitive position. Even if we were to discover evidence of infringement or misappropriation, our recourse against such competitors may be limited or could require us to pursue litigation, which could involve substantial costs and diversion of management's attention from the operation of our business.

We may face intellectual property infringement claims that could be time consuming and costly to defend and may result in the loss of significant rights by us.

Although we have not been subject to any litigation, pending or threatened, alleging infringement of third parties' intellectual property rights, we cannot assure you that such infringement claims will not be asserted against us in the future.

Intellectual property litigation is expensive and time-consuming and could divert resources and management attention from the operation of our business. If there is a successful claim of infringement, we may be required to alter our services, cease certain activities, pay substantial royalties and damages to, and obtain one or more licenses from, third parties. We may not be able to obtain those licenses on commercially acceptable terms, or at all. Any of those consequences could cause us to lose revenues, impair our client relationships and harm our reputation.

Our future success depends on the continuing efforts to retain our existing management team and other key employees as well as to attract, integrate and retain highly skilled and qualified personnel, and our business may be disrupted if we lose their services.

Our future success depends heavily on the continued services of our current executive officers. We also rely on the skills, experience and efforts of other key employees, including management, marketing, support, research and development, technical and services personnel. Qualified employees are in high demand throughout wealth management services industries in China, and our future success depends on our ability to attract, train, motivate and retain highly skilled employees and the ability of our executive officers and other members of senior management to work effectively as a team.

If one or more of our executive officers or other key employees are unable or unwilling to continue in their present positions, we may not be able to find replacements easily or at all, which may disrupt our business operations. We do not have key personnel insurance in place. If any of our executive officers or other key employees joins a competitor or forms a competing company, we may lose clients, know-how, key professionals and staff members. Each of our executive officers has entered into a non-competition agreement with us as well as an employment agreement with us which contains confidentiality provisions. However, if any dispute arises between our executive officers and us, we cannot assure you of the extent to which any of these agreements could be enforced in China, where these executive officers reside, because of the uncertainties of China's legal system. See "— Risks Related to Doing Business in China — Uncertainties with respect to the PRC legal system could adversely affect us."

Our existing shareholders have substantial influence over our company and their interests may not be aligned with the interests of our other shareholders.

Currently, Mr. Yu Haifeng, our founder, chairman and chief executive officer, beneficially owns 94.3% of our share capital. Upon the completion of this offering, he will beneficially own an aggregate of % of our outstanding share capital. As a result of this high level of shareholding, Mr. Yu has substantial influence over our business, including decisions regarding mergers, consolidations and the sale of all or substantially all of our assets, election of directors and other significant corporate actions. Mr. Yu may take actions that are not in the best interests of us or our other shareholders. This concentration of ownership may discourage, delay or prevent a change in control of our company, which could deprive our shareholders of an opportunity to receive a premium for their shares as part of a sale of our company and might reduce the price of our ADSs. These actions may be taken even if they are opposed by our other shareholders, including those who purchase ADSs in this offering. See "Principal Shareholders."

Our revenues and operating results can fluctuate from period to period, which could cause the price of our ADSs to fluctuate.

Our revenues and operating results have fluctuated in the past and may fluctuate from period to period in the future due to a variety of factors, many of which are beyond our control. Factors relating to our business that may contribute to these fluctuations include the following factors, as well as other factors described elsewhere in this prospectus:

- a decline or slowdown of the growth in the value of wealth management products, which may reduce the value of products we distribute for wealth management product providers and the products provided by ourselves and therefore our revenues and cash flows;
- negative public perception and reputation of the wealth management services industry;
- unanticipated delays of anticipated rollouts of our products or services;
- unanticipated changes to economic terms in contracts with our wealth management product providers, including renegotiations;
- changes in laws or regulatory policy that could impact our ability to provide wealth management services and/or asset management services;
- failure to enter into contracts with new wealth management product providers;
- cancellations or non-renewal of existing contracts with wealth management product providers; and
- changes in the number of clients who decide to terminate their relationship with us or who ask us to redeem their investment in our FoF products.

As a result of these and other factors, the results of any prior quarterly or annual periods should not be relied upon as indications of our future revenues or operating performance.

We are an emerging growth company within the meaning of the Securities Act and may take advantage of certain reduced reporting requirements, and this could make it more difficult to compare our performance with other public companies.

We are an "emerging growth company," as defined in the JOBS Act, and we may take advantage of certain exemptions from various requirements applicable to other public companies that are not emerging growth companies including, most significantly, not being required to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act of 2002 so long as we are an emerging growth company. As a result, if we elect not to comply with such auditor attestation requirements, our investors may not have access to certain information they may deem important. In addition, Section 102(b)(1) of the JOBS Act exempts emerging growth companies from being required to comply with new or revised financial accounting standards until private companies (that is, those that have not had a Securities Act registration statement declared effective or do not have a class of securities registered under the Exchange Act) are required to comply with the new or revised financial accounting standards. The JOBS Act provides that a company can elect to opt out of the extended transition period and comply with the requirements that apply to non-emerging growth companies but any such an election to opt out is irrevocable. We have elected to opt in to such extended transition period, which means that when a standard is issued or revised and it has different application dates for public or private companies, we, as an emerging growth company, can delay the adoption of the new or revised standard until private companies adopt the new or revised standard. Accordingly, our financial statements may not be comparable to other public companies that are not emerging growth companies or that are emerging growth companies which have opted out of using the extended transition because of the potential differences in accounting standards used.

We are a foreign private issuer within the meaning of the rules under the Exchange Act and are therefore exempt from certain provisions applicable to U.S. domestic issuers.

Because we qualify as a foreign private issuer under the Exchange Act, we are exempt from certain provisions of the securities rules and regulations in the United States that are applicable to U.S. domestic issuers, including:

- the rules under the Exchange Act requiring the filing with the SEC of quarterly reports on Form 10-Q or current reports on Form 8-K;
- the sections of the Exchange Act regulating the solicitation of proxies, consents or authorizations in respect of a security registered under the Exchange Act;
- the sections of the Exchange Act requiring insiders to file public reports of their stock ownership and trading activities and liability for insiders who profit from trades made in a short period of time; and
- the selective disclosure rules by issuers of material nonpublic information under Regulation FD.

We will be required to file an annual report on Form 20-F within four months of the end of each fiscal year. In addition, we intend to publish our results on a quarterly basis as press releases, distributed pursuant to the rules and regulations of the [NASDAQ Global Market/New York Stock Exchange]. Press releases relating to financial results and material events will also be furnished to the SEC on Form 6-K. However, the information we are required to file with or furnish to the SEC will be less extensive and less timely compared to that required to be filed with the SEC by U.S. domestic issuers. As a result, you may not be afforded the same protections or information that would be made available to you were you investing in a U.S. domestic issuer.

As a company incorporated in the Cayman Islands, we are permitted to adopt certain home country practices in relation to corporate governance matters in lieu of the corporate governance listing standards applicable to U.S. domestic issuers, which home country practices may afford comparatively less protection to shareholders.

As a company incorporated in the Cayman Islands, we are permitted to adopt certain home country practices in relation to corporate governance matters that differ significantly from the [NASDAQ Global Market/New York Stock Exchange] corporate governance requirements; these practices may afford less protection to shareholders than they would enjoy if we complied fully with the [NASDAQ Global Market/New York Stock Exchange] corporate governance requirements. For example, as a foreign private issuer, we are not required to: (i) have a majority of the board be independent; (ii) have a compensation committee or a nominating/corporate governance committee consisting entirely of independent directors; or (iii) have regularly scheduled executive sessions with only independent directors each year.

We intend to follow home country practice in lieu of the requirements under the [NASDAQ Global Market/New York Stock Exchange] rules with respect to certain corporate governance standards. Accordingly, you may not be provided with the benefits of certain corporate governance requirements of the [NASDAQ Global Market/New York Stock Exchange] rules.

If we fail to implement and maintain an effective system of internal control, we may be unable to accurately or timely report our results of operations or prevent fraud, and investor confidence and the market price of the ADSs may be materially and adversely affected.

We will be subject to the reporting requirements of the Exchange Act, the Sarbanes-Oxley Act and the rules and regulations of the [NASDAQ Global Select Market/New York Stock Exchange] after the completion of this offering. Our reporting obligations as a public company will place a significant strain on our management, operational and financial resources and systems for the foreseeable future. Prior to this offering, we have been a private company with limited accounting personnel and other resources with which to address our internal control over financial reporting, and we were never required to evaluate our internal control over financial reporting within a specified period, and, as a result, we may experience difficulty in meeting these reporting requirements in a timely manner. In the course of preparing our consolidated financial statements, we and our independent registered public accounting firm identified one material weakness in our internal control in the course of preparing and auditing our consolidated financial statements for the years ended June 30, 2017 and 2018. As defined in the standards established by the Public Company Accounting Oversight Board of the United States, a “material weakness” is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the annual or interim financial statements will not be prevented or detected.

The material weakness identified is a lack of dedicated resources to take responsibility for the finance and accounting functions and the preparation of financial statements in compliance with U.S. GAAP. Neither we nor our independent registered public accounting firm undertook a comprehensive assessment of our internal control under the Sarbanes-Oxley Act for purposes of identifying and reporting any weakness or significant deficiency in our internal control over financial reporting as we will be required to do once we become a public company and our independent registered public accounting firm may be required to do once we cease to be an emerging growth company. We and they are required to do so only after we become a public company. Had we performed a formal assessment of our internal control over financial reporting or had our independent registered public accounting firm performed an audit of our internal control over financial reporting, additional material weaknesses may have been identified.

We have implemented and are continuing to implement a number of measures to address the material weakness identified. See "Management's Discussion and Analysis of Financial Condition and Results of Operations — Internal Control Over Financial Reporting." However, the implementation of these measures may not fully address the material weakness in our internal control over financial reporting, and we cannot conclude that it has been fully remedied. Our failure to correct the material weakness or our failure to discover and address any other control deficiencies could result in inaccuracies in our financial statements and could also impair our ability to comply with applicable financial reporting requirements and related regulatory filings on a timely basis. As a result, our business, financial condition, results of operations and prospects, as well as the trading price of our ADSs, may be materially and adversely affected. Moreover, ineffective internal control over financial reporting could expose us to increased risk of fraud or misuse of corporate assets and subject us to potential delisting from the stock exchange on which we list, regulatory investigations and civil or criminal sanctions. We may also be required to restate our financial statements from prior periods.

Upon completion of this offering, we will become subject to the Sarbanes-Oxley Act of 2002. Section 404 of the Sarbanes-Oxley Act will require that we include a report from management on the effectiveness of our internal control over financial reporting in our annual report on Form 20-F beginning with our annual report for the fiscal year ending June 30, 2019. In addition, once we cease to be an "emerging growth company" as the term is defined in the JOBS Act, our independent registered public accounting firm must attest to and report on the effectiveness of our internal control over financial reporting. If we fail to remedy the problems identified above, our management may conclude that our internal control over financial reporting is not effective. Moreover, even if our management concludes the problems identified above have been remedied, our independent registered public accounting firm, after conducting its own independent testing, may issue a report that is qualified if it is not satisfied with our internal controls or the level at which our controls are documented, designed, operated or reviewed, or if it interprets the relevant requirements differently from us. In addition, as we have become a public company, our reporting obligations may place a significant strain on our management, operational and financial resources and systems for the foreseeable future. We may be unable to timely complete our evaluation testing and any required remediation.

During the course of documenting and testing our internal control procedures, in order to satisfy the requirements of Section 404, we may identify other weaknesses and deficiencies in our internal control over financial reporting. In addition, if we fail to maintain the adequacy of our internal control over financial reporting, as these standards are modified, supplemented or amended from time to time, we may not be able to conclude on an ongoing basis that we have effective internal control over financial reporting in accordance with Section 404. If we fail to achieve and maintain an effective internal control environment, we could suffer material misstatements in our financial statements and fail to meet our reporting obligations, which would likely cause investors to lose confidence in our reported financial information. This could in turn limit our access to capital markets, harm our results of operations, and lead to a decline in the trading price of our ADSs. Additionally, ineffective internal control over financial reporting could expose us to increased risk of fraud or misuse of corporate assets and subject us to potential delisting from the stock exchange on which we list, regulatory investigations and civil or criminal sanctions. We may also be required to restate our financial statements from prior periods.

We have limited insurance coverage.

Insurance companies in China currently do not offer as extensive an array of insurance products as insurance companies in more developed economies do. Other than casualty insurance on some of our assets, we do not have commercial insurance coverage on our other assets and personnel and we do not have insurance to cover our business or interruption of our business, litigation or product liability. We have determined that the costs of insuring for these risks and the difficulties associated with acquiring such insurance on commercially reasonable terms make it impractical for us to have such insurance. Any uninsured occurrence of loss or damage to property, litigation or business disruption may result in our incurring substantial costs and the diversion of resources, which could have an adverse effect on our results of operations and financial condition.

Risks Related to Our Corporate Structure

If the PRC government finds that the agreements that establish the structure for operating our businesses in China do not comply with PRC regulations relating to fund management businesses, or if these regulations or the interpretation of existing regulations change in the future, we could be subject to severe penalties or be forced to relinquish our interests in those operations.

Foreign ownership of certain parts of our businesses including fund management services is subject to restrictions under current PRC laws and regulations. For example, foreign ownership in fund management companies that focus on securities investment funds shall not exceed 51%. Also, any foreign shareholder of a foreign-invested fund management company focusing securities investment funds must be a financial institution approved by the national or regional financial regulatory authority where the foreign investor locates, and such national or regional financial regulatory authority must have signed a memorandum of understanding on bilateral regulatory cooperation with the CSRC or its approved institution. In addition, such foreign-invested fund management company must invest in domestic capital markets.

We are a Cayman Islands company and the government of the Cayman Islands has not entered into a memorandum of understanding on bilateral regulatory cooperation with the CSRC. Accordingly, we are not eligible to conduct our fund management business by directly establishing a foreign-invested fund management company. To comply with PRC laws and regulations and utilize our ability in providing fund management services, we currently conduct our business activities through our variable interest entity (the "VIE"), Puyi Bohui and its subsidiaries. Through our PRC subsidiary Puyi Consulting, we entered into a series of contractual arrangements with Puyi Bohui and its shareholders, which enable us to (i) exercise effective control over Puyi Bohui, (ii) receive substantially all of the economic benefits of Puyi Bohui, and (iii) have an exclusive option to purchase all or part of the equity interests and assets in Puyi Bohui when and to the extent permitted by PRC law. As a result of these contractual arrangements, we have control over and are the primary beneficiary of Puyi Bohui and hence consolidate its financial results and its subsidiaries into our consolidated financial statements under U.S. GAAP. Our consolidated affiliated entities hold the licenses, approvals and key assets that are essential for our operations.

In the opinion of our PRC legal counsel, GFE Law Office, based on its understandings of the relevant PRC laws and regulations, (i) the ownership structures of our VIE in China and Puyi Consulting, both currently and immediately after giving effect to this offering, are not in violation of applicable PRC laws and regulations currently in effect; and (ii) each contracts among Puyi Consulting, Puyi Bohui and its shareholders is legal, valid, binding and enforceable in accordance with its terms and applicable PRC laws. However, our PRC legal counsel has also advised us that there are substantial uncertainties regarding the interpretation and application of current or future PRC laws and regulations. Accordingly, the PRC regulatory authorities may ultimately take a view contrary to the opinion of our PRC legal counsel. It is uncertain whether any new PRC laws or regulations relating to variable interest entity structures will be adopted or if adopted, what they would provide. If we or our VIE are found to be in violation of any PRC laws or regulations, if the contractual arrangements among Puyi Consulting, our VIE and its shareholders are determined as illegal or invalid by the PRC court, arbitral tribunal or regulatory authorities, or if we or our VIE fail to obtain or maintain any of the required permits or approvals, the relevant PRC regulatory authorities would have broad discretion to take action in dealing with such violations or failures, including:

- revoke the business license and/or operating license that such entities currently have or obtain in the further;
- discontinuing or placing restrictions or onerous conditions on our operations;
- imposing fines, confiscating the income from Puyi Consulting or our VIE, or imposing other requirements with which we or our VIE may not be able to comply;

- requiring us to restructure our ownership structure or operations, including terminating the contractual arrangements with our VIE and deregistering the equity pledges of our VIE, which in turn would affect our ability to consolidate, derive economic interests from, or exert effective control over our VIE; or

- restricting or prohibiting our use of the proceeds of this offering to finance our business and operations in China.

The imposition of any of these penalties would result in a material and adverse effect on our ability to conduct our business. In addition, it is unclear what impact the PRC government actions would have on us and on our ability to consolidate the financial results of our VIE in our consolidated financial statements, if the PRC government authorities were to find our legal structure and contractual arrangements to be in violation of PRC laws and regulations. If the imposition of any of these government actions causes us to lose our right to direct the activities of our VIE or our right to receive substantially all the economic benefits and residual returns from our VIE and we are not able to restructure our ownership structure and operations in a satisfactory manner, we would no longer be able to consolidate the financial results of our VIE in our consolidated financial statements. Either of these results, or any other significant penalties that might be imposed on us in this event, would have a material adverse effect on our financial condition and results of operations.

Our business may be significantly affected by the draft Foreign Investment Law, if implemented as proposed.

In January 2015, MOFCOM published a draft Foreign Investment Law for solicitation of public comments. At the same time, MOFCOM published an accompanying explanatory note of the draft Foreign Investment Law, which contains important information about the draft Foreign Investment Law, including its legislative philosophy and principles, main content, plans for transitioning into the new legal regime and treatment of business in China controlled by foreign invested enterprises. The draft Foreign Investment Law proposes significant changes to the PRC foreign investment legal regime and, when implemented, may have a significant impact on businesses in China controlled by foreign invested enterprises primarily through contractual arrangements, such as our business. See “Regulation—PRC Regulations Relating to Company Establishment and Foreign Investment”. MOFCOM solicited comments on the draft Foreign Investment Law in 2015, but no new draft has been published since then. According to the 2018 Legislative Work Plan of the National People’s Congress Standing Committee, the draft Foreign Investment Law will be deliberated in December 2018. However, there is still substantial uncertainty with respect to its final content, interpretation, and effective date. It is anticipated, though, that the draft Foreign Investment Law will build in regulations on variable interest entities. MOFCOM suggests both registration and approval as potential options for the regulation of variable interest entity structures, depending on whether they are “Chinese” or “foreign controlled.” One of the core concepts of the draft Foreign Investment Law is “de facto control,” which emphasizes substance over form in determining whether an entity is “Chinese” or foreign controlled. This determination requires consideration of the nature of the investors that exercise control over the entity. “Chinese investors” are individuals who are Chinese nationals, Chinese government agencies and any domestic enterprise controlled by Chinese nationals or government agencies. “Foreign investors” are foreign citizens, foreign governments, international organizations and entities controlled by foreign citizens and entities.

There can be no assurance that our current corporate structure will be considered “Chinese-controlled” under the scheme of the draft Foreign Investment Law. In the event that our VIE contractual arrangements under which we operate our business are not treated as a domestic investment and/or our operation are classified as a “prohibited business” under the Foreign Investment Law when officially enacted, such VIE contractual arrangements may be deemed as invalid and illegal, and we may be required to unwind the VIE contractual arrangements and/or dispose of such business.

We rely on contractual arrangements with our variable interest entity and its shareholders for a portion of our China operations, which may not be as effective as direct ownership in providing operational control.

Due to PRC restrictions on foreign ownership of fund management business in China, we operate our business in China through our VIE and its subsidiaries, or the VIEs, in which we have no ownership interest. We rely on contractual arrangements with our VIE, Puyi Bohui and its shareholders including the Power of Attorney with each of the shareholders, to control and operate business of our consolidated affiliated entities. These contractual arrangements are intended to provide us with effective control over our consolidated affiliated entities and allow us to obtain economic benefits from them. See "Corporate History and Structure—Contractual Arrangements". In particular, our ability to control the consolidated affiliated entities depends on the Powers of Attorney, pursuant to which our PRC subsidiary Puyi Consulting can vote on all matters requiring shareholder approval in our VIE. We believe these Powers of Attorney are legally enforceable but may not be as effective as direct equity ownership.

Although we have been advised by our PRC legal counsel that each of the contracts among Puyi Consulting, our VIE and its shareholders is valid, binding and enforceable under existing PRC laws and regulations, these contractual arrangements may not be as effective as direct ownership in providing us with control over our VIE and its subsidiaries. Under the current contractual arrangements, as a legal matter, if our VIE or its shareholders fail to perform their respective obligations under these contractual arrangements, we may have to incur substantial costs and expend additional resources to enforce our rights under such arrangements. All of these contracts are governed by PRC law and provide for the resolution of disputes through arbitration in the PRC. Accordingly, these contracts would be interpreted in accordance with PRC law and any disputes would be resolved in accordance with PRC legal procedures. The legal environment in the PRC is not as developed as in other jurisdictions, such as the United States. As a result, uncertainties in the PRC legal system could limit our ability to enforce these contractual arrangements, which may make it difficult to exert effective control over our VIE, and we may lose control over the assets owned by our VIE. As a result, we may be unable to consolidate the financial results of such entities in our consolidated financial statements, our ability to conduct our business may be negatively affected, and our operations could be severely disrupted, which could materially and adversely affect our results of operations and financial condition. See "— Risks Related to Doing Business in China — Uncertainties with respect to the PRC legal system could adversely affect us." The arbitration provisions under these contractual arrangements have no effect on the rights of our shareholders and do not prevent them from pursuing claims against us under U.S. federal securities laws.

The contractual arrangements we have entered into with our VIE and its shareholders, and any other arrangements and transactions among related parties that we currently have or will have in future may be subject to scrutiny by the PRC tax authorities and they may determine that we owe additional taxes, which could substantially reduce our consolidated net income and the value of your investment.

Under applicable PRC laws and regulations, arrangements and transactions among related parties may be subject to audit or challenge by the PRC tax authorities. We are not able to determine whether the contractual arrangements that we have entered into among Puyi Consulting, our VIE and its shareholders, or any other arrangements and transactions among related parties that we currently have or will have in future will be regarded by the PRC tax authorities as arm's length transactions. We could face material and adverse tax consequences if the PRC tax authorities determine that our current contractual arrangements or any other arrangements and transactions among related parties are not entered into on an arm's-length basis, and therefore constitute favorable transfer pricing. As a result, the PRC tax authorities could require us to adjust our taxable income upward for PRC tax purposes, which could increase our VIE's tax expenses without reducing the tax expenses, subject us to late payment fees and other penalties for under-payment of taxes, and result in the loss of any preferential tax treatment we may have. As a result, our consolidated net income may be adversely affected.

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

Both of the shareholders of Puyi Bohui, Mr. Yu Haifeng and Ms. Yang Yuanfen are PRC nationals. They may have conflicts of interest with us. Conflicts of interest may arise between the dual roles of them who are both shareholders of our company and shareholders of our variable interest entity. We do not have existing arrangements to address potential conflicts of interest between those individuals and our company and cannot assure you that when conflicts arise, those individuals will act in the best interest of our company or that conflicts will be resolved in our favor. If we cannot resolve any conflicts of interest or disputes between us and those individuals, we would have to rely on legal proceedings, which may materially disrupt our business. There is also substantial uncertainty as to the outcome of any such legal proceeding.

We may lose the ability to use and enjoy assets held by our VIE that are material to the operation of certain portion of our business if the VIE goes bankrupt or become subject to a dissolution or liquidation proceeding.

As part of our contractual arrangements with our VIE, our VIE and its subsidiaries hold certain assets that are material to the operation of our business, including intellectual property and premise and licenses. If our VIE or any of its subsidiaries goes bankrupt and all or part of its assets become subject to liens or rights of third-party creditors, we may be unable to continue some or all of our business activities, which could materially and adversely affect our business, financial condition and results of operations. Under the contractual arrangements, our VIE may not, in any manner, sell, transfer, mortgage or dispose of their assets or legal or beneficial interests in the business without our prior consent. If our VIE undergoes a voluntary or involuntary liquidation proceeding, independent third-party creditors may claim rights to some or all of these assets, thereby hindering our ability to operate our business, which could materially and adversely affect our business, financial condition and results of operations.

If we were deemed to be an investment company under the Investment Company Act of 1940, applicable restrictions could make it impractical for us to continue our business as contemplated and could have a material adverse effect on our business and the price of our ordinary shares.

An entity will generally be deemed an "investment company" for purposes of the Investment Company Act of 1940, as amended (the "1940 Act") if: (a) it is or holds itself out as being engaged primarily, or proposes to engage primarily, in the business of investing, reinvesting or trading in securities, or (b) absent an applicable exemption, it owns or proposes to acquire investment securities having a value exceeding 40% of the value of its total assets (exclusive of U.S. government securities and cash items) on an unconsolidated basis. We believe that we are engaged primarily in the business of providing wealth management services, corporate finance services and asset management services and not in the business of investing, reinvesting or trading in securities. We hold ourselves out as a third-party wealth management service provider and do not propose to engage primarily in the business of investing, reinvesting or trading in securities. Accordingly, we believe that Puyi Inc. is not an investment company under Section 3(b)(1) of the Investment Company Act, among other things, because it is primarily engaged in a non-investment company business. If one or more of our operating entities ceased to be deemed as a wholly-owned subsidiary of ours, our interests in those subsidiaries could be deemed an ''investment security'' for purposes of the 1940 Act.

The 1940 Act and the rules thereunder contain detailed parameters for the organization and operation of investment companies. Among other things, the 1940 Act and the rules thereunder limit or prohibit transactions with affiliates, impose limitations on the issuance of debt and equity securities, generally prohibit the issuance of options and impose certain governance requirements. We intend to conduct our operations so that Puyi Inc. will not be deemed an investment company. However, if we were to be deemed an investment company, restrictions imposed by the 1940 Act, including limitations on our capital structure and our ability to transact business with affiliates, could make it impractical for us to continue our business as currently conducted and would have a material adverse effect on our business, financial condition, results of operations and the price of our ordinary shares. In addition, we may be required to limit the amount of investments that we make as a principal or otherwise conduct our business in a manner that does not subject us to the registration and other requirements on the 1940 Act.

Risks Related to Doing Business in China

Adverse changes in the political and economic policies of the PRC government could have a material adverse effect on the overall economic growth of China, which could adversely affect our business.

Substantially all of our assets are located in China and substantially all of our revenues are derived from our operations there. Accordingly, our business, financial condition, results of operations and prospects are affected significantly by economic, political and legal developments in China. The Chinese economy differs from the economies of most developed countries in many respects, including amount of government involvement, level of development, growth rate, control of foreign exchange and allocation of resources. While the Chinese economy has experienced significant growth in the past 30 years, the growth has been uneven across different periods, regions and among various economic sectors of China, and the rate of growth has been slowing since 2012. We cannot assure you that the Chinese economy will continue to grow. Further, the Chinese government has implemented various measures to encourage economic growth and guide the allocation of resources, some of which may benefit the overall Chinese economy but have a negative effect on us. For example, our financial condition and results of operations may be adversely affected by government control over capital investments or changes in tax regulations. Also, in the past the Chinese government implemented certain measures, including interest rate adjustment, to control the pace of economic growth. These measures may cause decreased economic activity in China, which may adversely affect our business and operating results. Accordingly, any adverse changes in economic conditions in China, in the policies of the Chinese government or in the laws and regulations in China could have a material adverse effect on the overall economic growth of China. Such developments could adversely affect our business and operating results, lead to reduction in demand for our services and adversely affect our competitive position.

Uncertainties with respect to the PRC legal system could adversely affect us.

We conduct our business primarily through our PRC subsidiary and variable interest entity and its subsidiaries in China. Our operations in China are governed by PRC laws and regulations. Our PRC subsidiary is a foreign invested enterprise and is subject to laws and regulations applicable to foreign investment in China and, in particular, laws applicable to foreign-invested enterprises. The PRC legal system is a civil law system based on written statutes. Unlike common law system, prior court decisions may be cited for reference but have limited precedential value. In addition, any new or changes in PRC laws and regulations related to foreign investment in China could affect the business environment and our ability to operate our businesses in China.

From time to time, we may have to resort to administrative and court proceedings to enforce our legal rights. However, since PRC judicial and administrative authorities have significant discretion in interpreting and implementing statutory and contractual terms, it may be more difficult to predict the outcome of a judicial or administrative proceeding than in more developed legal systems. In addition, the PRC legal system is based in part on government policies and internal rules, some of which are not published on a timely basis or at all, that may have a retroactive effect. As a result, we may not be aware of our violation of these policies and rules until some time after the violation. Any administrative and court proceedings in China may be protracted and result in substantial costs and diversion of resources and management attention. However, since PRC administrative and court authorities have significant discretion in interpreting and implementing statutory and contractual terms, it may be more difficult to evaluate the outcome of administrative and court proceedings and the level of legal protection we enjoy than in more developed legal systems. These uncertainties may also impede our ability to enforce the contracts we have entered into, and as a result, could materially adversely affect our business and results of operations.

Fluctuations in exchange rates may have a material adverse effect on your investment.

The value of the Renminbi against the U.S. dollar and other currencies is affected by, among other things, changes in China's political and economic conditions and China's foreign exchange policies. The conversion of Renminbi into foreign currencies, including U.S. dollars, has been based on exchange rates set by the People's Bank of China. On July 21, 2005, the PRC government changed its decade-old policy of pegging the value of the Renminbi solely to the U.S. dollar, and the Renminbi appreciated more than 20% against the U.S. dollar over the following three years. Between July 2008 and June 2010, however, this appreciation halted and the Renminbi was traded within a narrow range against the U.S. dollar. Between July 2010 and November 2015, the Renminbi fluctuated against the U.S. dollar, at times significantly and unpredictably. On November 30, 2015, the Executive Board of IMF completed the regular five-year review of the basket of currencies that make up the Special Drawing Right, or the SDR, and decided that with effect from October 1, 2016, Renminbi is determined to be a freely usable currency and will be included in the SDR basket as a fifth currency, along with the U.S. dollar, the Euro, the Japanese yen and the British pound. In the fourth quarter of 2016, the Renminbi depreciated significantly in the backdrop of a surging U.S. dollar and persistent capital outflows of China. This depreciation halted in 2017, and the RMB appreciated approximately 7% against the U.S. dollar during this one-year period. Since February 2018, the RMB has depreciated significantly, over 8% against the U.S. dollar. With the development of the foreign exchange market and progress towards interest rate liberalization and Renminbi internationalization, the PRC government may in the future announce further changes to the exchange rate system, and we cannot assure you that the Renminbi will not appreciate or depreciate significantly in value against the U.S. dollar in the future. It is difficult to predict how market forces or PRC or U.S. government policy may impact the exchange rate between the Renminbi and the U.S. dollar in the future.

Significant revaluation of the Renminbi may have a material and adverse effect on your investment. For example, to the extent that we need to convert U.S. dollars we receive from this offering into Renminbi for our operations, appreciation of the Renminbi against the U.S. dollar would have an adverse effect on the Renminbi amount we would receive from the conversion. Conversely, if we decide to convert our Renminbi into U.S. dollars for the purpose of making payments for dividends on our ordinary shares or ADSs or for other business purposes, appreciation of the U.S. dollar against the Renminbi would have a negative effect on the U.S. dollar amount available to us. The net proceeds from this offering will be denominated in U.S. dollars. Fluctuations in exchange rates, primarily those involving the U.S. dollar, may affect the relative purchasing power of these proceeds. In addition, appreciation or depreciation in the value of the Renminbi relative to the U.S. dollar would affect our financial results reported in U.S. dollar terms without giving effect to any underlying change in our business or results of operations. Fluctuations in the exchange rate will also affect the relative value of earnings from and the value of any U.S. dollar-denominated investments we make in the future.

Very limited hedging options are available in China to reduce our exposure to exchange rate fluctuations. To date, we have not entered into any hedging transactions in an effort to reduce our exposure to foreign currency exchange risk. While we may decide to enter into hedging transactions in the future, the availability and effectiveness of these hedges may be limited and we may not be able to adequately hedge our exposure or at all. In addition, our currency exchange losses may be magnified by PRC exchange control regulations that restrict our ability to convert Renminbi into foreign currency. As a result, fluctuations in exchange rates may have a material adverse effect on your investment.

Governmental control of conversion of Renminbi into foreign currencies may limit our ability to utilize our revenues effectively and affect the value of your investment.

The PRC government imposes controls on the convertibility of the Renminbi into foreign currencies and, in certain cases, the remittance of currency out of China. We receive substantially all of our revenues in Renminbi. Under our current corporate structure, our company may rely on dividend payments from our PRC subsidiary, Puyi Consulting, to fund any cash and financing requirements we may have. Under existing PRC foreign exchange regulations, payments of current account items, including profit distributions, interest payments and trade and service-related foreign exchange transactions, can be made in foreign currencies without prior approval from SAFE by complying with certain procedural requirements. Therefore, Puyi Consulting is able to pay dividends in foreign currencies to us without prior approval from SAFE by complying with certain procedural requirements. But approval from or registration with appropriate government authorities is required where Renminbi is to be converted into foreign currency and remitted out of China to pay capital expenses such as the repayment of loans denominated in foreign currencies. The PRC government may also at its discretion restrict access in the future to foreign currencies for current account transactions. If the foreign exchange control system prevents us from obtaining sufficient foreign currencies to satisfy our foreign currency demands, we may not be able to pay dividends in foreign currencies to our shareholders, including holders of our ADSs.

The approval of the China Securities Regulatory Commission, or CSRC, may be required in connection with this offering under a regulation adopted in August 2006, and, if required, we cannot predict whether we will be able to obtain such approval.

The Regulations on Mergers and Acquisitions of Domestic Enterprises by Foreign Investors, or the M&A Rules, adopted by six PRC regulatory agencies, including the CSRC, requires offshore special purpose vehicles, or SPVs, formed for the purpose of acquiring PRC domestic companies and controlled by PRC companies or individuals, to obtain the approval of the CSRC prior to listing their securities on an overseas stock exchange. See "Regulation—PRC Regulations Relating to Mergers and Acquisitions". However, the application of this regulation remains unclear. Currently, there is no consensus among the leading PRC law firms regarding the scope and applicability of the CSRC approval requirement. If CSRC approval is required, it is uncertain whether it would be possible for us to obtain the approval, and any failure to obtain or delay in obtaining CSRC approval for this offering would subject us to sanctions imposed by the CSRC and other PRC regulatory agencies.

Our PRC legal counsel, GFE Law Office, has advised us that, based on their understanding of the current PRC laws and regulations as well as the procedures announced in September 2006 by the CSRC, we are not required to submit an application to the CSRC for its approval of the listing and trading of our ADSs on the [NASDAQ Global Market/New York Stock Exchange], unless we are clearly required to do so by subsequent rules of the CSRC, because (1) the CSRC currently has not issued any definitive rule or interpretation concerning whether offerings like ours under this prospectus are subject to the M&A Rules; (2) we established our PRC subsidiary, Puyi Consulting by means of direct investment other than by merger or acquisition of a PRC domestic company; and (3) no provision in the M&A Rules clearly classifies the contractual arrangements among Puyi Consulting, our VIE and its shareholders as a type of transaction subject to the M&A Rules. However, we cannot assure you that the relevant PRC government agency, including the CSRC, would reach the same conclusion as our PRC legal counsel. Since there has been no official interpretation or clarification of this regulation since its adoption, there is uncertainty as to how this regulation will be interpreted or implemented. If it is determined that the CSRC's approval is required for this offering, we may face sanctions by the CSRC or other PRC regulatory agencies for failure to seek CSRC's approval for this offering. These sanctions may include fines and penalties on our operations in the PRC, limitations on our operating privileges in the PRC, delays or restrictions on the repatriation of the proceeds from this offering into the PRC, restrictions on or prohibition of payment or remittance of dividends by our China subsidiary, or other actions that could have a material adverse effect on our business, financial condition, results of operations, reputation and prospects, as well as the trading price of our ADSs. The CSRC or other PRC regulatory agencies may also take actions requiring us, or making it advisable to us, to halt this offering before settlement and delivery of the ADSs that we are offering. Consequently, if you engage in market trading or other activities in anticipation of and prior to settlement and delivery of the ADSs we are offering, you would be doing so at the risk that settlement and delivery may not occur.

PRC regulations relating to the establishment of offshore special purpose companies by PRC residents may subject our PRC resident beneficial owners or our PRC subsidiary to liability or penalties, limit our ability to inject capital into our PRC subsidiary, limit our PRC subsidiary's ability to increase its registered capital or distribute profits to us, or may otherwise adversely affect us.

On July 4, 2014, SAFE issued the Circular on Issues Concerning Foreign Exchange Control over the Overseas Investment and Financing and Round-trip Investment by Domestic Residents via Special Purpose Vehicles, or SAFE Circular 37, which became effective as of July 4, 2014. According to SAFE Circular 37, prior registration with the local SAFE branch is required for PRC residents, including PRC individuals and PRC corporate entities as well as foreign individuals that are deemed as PRC residents for foreign exchange administration purpose, in connection with their direct or indirect contribution of domestic assets or interests to offshore companies, known as SPVs. SAFE Circular 37 further requires amendment to the SAFE registrations in the event of any changes with respect to the basic information of the offshore special purpose vehicle, such as change of a PRC individual shareholder, name and operation term, or any significant changes with respect to the offshore special purpose vehicle, such as increase or decrease of capital contribution, share transfer or exchange, or mergers or divisions. SAFE Circular 37 is applicable to our shareholders who are PRC residents and may be applicable to any offshore acquisitions that we make in the future. In February 2015, SAFE promulgated a Notice on Further Simplifying and Improving Foreign Exchange Administration Policy on Direct Investment, or SAFE Notice 13, effective June 2015. Under SAFE Notice 13, applications for foreign exchange registration of inbound foreign direct investments and outbound overseas direct investments, including those required under SAFE Circular 37, will be filed with qualified banks instead of SAFE. The qualified banks will directly examine the applications and accept registrations under the supervision of SAFE.

In addition to SAFE Circular 37 and SAFE Notice 13, our ability to conduct foreign exchange activities in China may be subject to the interpretation and enforcement of the Implementation Rules of the Administrative Measures for Individual Foreign Exchange promulgated by SAFE in January 2007 (as amended and supplemented, the "Individual Foreign Exchange Rules"). Under the Individual Foreign Exchange Rules, any PRC individual seeking to make a direct investment overseas or engage in the issuance or trading of negotiable securities or derivatives overseas must make the appropriate registrations in accordance with SAFE provisions, the failure of which may subject such PRC individual to warnings, fines or other liabilities.

Our shareholders, Mr. Yu Haifeng and Ms. Yang Yuanfen, who are subject to the SAFE Circular 37 and Individual Foreign Exchange Rules have completed the initial registrations with the qualified banks as required by the regulations. However, we may not be informed of the identities of all the PRC residents holding direct or indirect interest in our company, and we have no control over any of our beneficial owners. Thus, we cannot provide any assurance that our current or future PRC resident beneficial owners will comply with our request to make or obtain any applicable registrations or continuously comply with all registration procedures set forth in these SAFE regulations. Such failure or inability of our PRC residents beneficial owners to comply with these SAFE regulations may subject us or our PRC residents beneficial owners to fines and legal sanctions, restrict our cross-border investment activities, or limit our PRC subsidiary's ability to distribute dividends to, or obtain foreign-exchange-dominated loans from, our company, or prevent us from being able to make distributions or pay dividends, as a result of which our business operations and our ability to distribute profits to you could be materially adversely affected.

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

We are a holding company, and we may rely principally on dividends and other distributions on equity paid by Puyi Consulting, our PRC subsidiary, for our cash and financing requirements, including the funds necessary to pay dividends and other cash distributions to our shareholders and service any debt we may incur. If Puyi Consulting incurs debt on its own behalf in the future, the instruments governing the debt may restrict its ability to pay dividends or make other distributions to us. In addition, the PRC tax authorities may require us to adjust our taxable income under the contractual arrangements that Puyi Consulting currently has in place with our variable interest entity in a manner that would materially and adversely affect its ability to pay dividends and other distributions to us.

Under PRC laws and regulations, Puyi Consulting, as a wholly foreign-owned enterprise in the PRC, may pay dividends only out of its accumulated profits as determined in accordance with PRC accounting standards and regulations. In addition, a wholly foreign-owned enterprise such as Puyi Consulting is required to set aside at least 10% of its accumulated after-tax profits each year, if any, to fund certain statutory reserve funds, until the aggregate amount of such fund reaches 50% of its registered capital. At its discretion, it may allocate a portion of its after-tax profits based on PRC accounting standards to staff welfare and bonus funds. These reserve funds and staff welfare and bonus funds are not distributable as cash dividends. Any limitation on the ability of Puyi Consulting to pay dividends or make other distributions to us could materially and adversely limit our ability to grow, make investments or acquisitions that could be beneficial to our business, pay dividends, or otherwise fund and conduct our business. See also "— Risks Related to Doing Business in China — The dividends we receive from our PRC subsidiary may be subject to PRC tax under the PRC Enterprise Income Tax Law, which would likely have a material adverse effect on our financial condition and results of operations."

PRC regulation of loans to and direct investment in PRC entities by offshore holding companies and governmental control of conversion of foreign currencies into Renminbi may delay or prevent us from using the proceeds of this offering to make loans to our PRC subsidiary and variable interest entity or to make additional capital contributions to our PRC subsidiary, which could materially and adversely affect our liquidity and our ability to fund and expand our business.

We are an offshore holding company conducting our operations in China through our PRC subsidiary and variable interest entity. We may make loans to our PRC subsidiary and variable interest entity, or we may make additional capital contributions to our PRC subsidiary. Any loans to our PRC subsidiary, which is treated as a foreign invested enterprise under PRC law, are subject to PRC regulations and foreign exchange loan registrations. For example, loans by us to Puyi Consulting to finance its activities cannot exceed statutory limits and must be registered with the local counterpart of the State Administration of Foreign Exchange, or SAFE. We may also decide to finance Puyi Consulting by means of capital contributions, which must be approved by the PRC Ministry of Commerce or its local counterpart. Due to the restrictions imposed on loans in foreign currencies extended to any PRC domestic companies, we are not likely to directly make such loans to our variable interest entity, a PRC domestic company. Meanwhile, we are not likely to finance the activities of our variable interest entity by means of capital contributions because that would result in our VIE being converted into a foreign invested company, while foreign invested companies engaged in fund management industry are subject to more stringent requirements than PRC domestic enterprises.

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

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

Under SAFE regulations, PRC residents who participate in a share incentive plan in an overseas publicly listed company are required to register with SAFE or its local branches and complete certain other procedures. See "Regulations – PRC Regulations Relating to Share Incentive Plan". We and our PRC resident employees who participate in our share incentive plans will be subject to these regulations when our company becomes publicly listed in the United States. If we or any of these PRC resident employees fail to comply with these regulations, we or such employees may be subject to fines and other legal or administrative sanctions. We also face regulatory uncertainties that could restrict our ability to adopt additional incentive plans for our directors, executive officers and employees under PRC law.

The dividends we receive from our PRC subsidiary may be subject to PRC tax under the PRC Enterprise Income Tax Law, which would likely have a material adverse effect on our financial condition and results of operations.

Pursuant to the Enterprise Income Tax Law (the "EIT Law") and implementing rules, both of which became effective on January 1, 2008, an enterprise established outside of the PRC with "de facto management bodies" within the PRC is considered as a "resident enterprise" and will pay income tax at the rate of 25% for its global income. The implementing rules of the EIT Law define de facto management as "substantial and overall management and control over the production and operations, personnel, accounting, and properties" of the enterprise. In 2009, the State Administration of Taxation, or SAT, issued the SAT Circular 82, which further interprets the application of the EIT Law and its implementation to a PRC-controlled offshore enterprise. Pursuant to the SAT Circular 82, an enterprise incorporated in an offshore jurisdiction and controlled by a PRC enterprise or a PRC enterprise group will be classified as a PRC resident enterprise for tax purposes and will be subject to PRC enterprise income tax on its global income, only if (i) its senior management in charge of daily operations reside or perform their duties mainly in the PRC; (ii) its financial or personnel decisions are made or approved by bodies or persons in the PRC; (iii) its substantial assets and properties, accounting books, corporate stamps, board and shareholder minutes are kept in the PRC; and (iv) at least 50% of its directors with voting rights or senior management habitually reside in the PRC. Such PRC resident enterprise would have to pay a withholding tax at a rate of 10% when paying dividends to its non-PRC shareholders.

We believe that we are not a PRC resident enterprise for PRC tax purposes because we do not have a PRC enterprise or a PRC enterprise group as our primary controlling shareholder. In addition, we are not aware of any offshore company with a corporate structure similar to ours that has been deemed a PRC resident enterprise by the PRC tax authorities. However, as the tax residency status of an enterprise is subject to determination by the PRC tax authorities and uncertainties remain with respect to the interpretation of the term "de facto management body", we will continue to monitor our tax status.

If the PRC tax authorities determine that we are a PRC resident enterprise for tax purposes, we could be subject to PRC tax at a rate of 25% on our worldwide income, which could materially reduce our net income, and we may be required to withhold a 10% withholding tax from dividends we pay to our non-PRC shareholders, including the holders of our ADSs. In addition, if such income is treated as sourced from within the PRC, non-resident shareholders including the holders of our ADSs may be subject to PRC tax on gains realized on the sale or other disposition of ADSs or ordinary shares, at a rate of 10% for non-PRC enterprises or a rate of 20% for non-PRC individuals, unless a reduced rate is available under an applicable tax treaty. It is unclear whether non-PRC shareholders of our company would be able to claim the benefits of any tax treaties between their country of tax residence and the PRC in the event that we are treated as a PRC resident enterprise. Any such tax may reduce the returns on your investment in the ADSs or ordinary shares.

We may be subject to penalties for failure to make adequate contributions to social security and housing provident fund by some subsidiaries of our VIE pursuant to the relevant PRC laws and regulations.

In the past, some subsidiaries of our VIE may not have been in compliance with the relevant PRC laws and regulations to make adequate contributions to social security and housing provident fund. Pursuant to the Social Insurance Law of the PRC promulgated in 2010 and the Regulations on Management of Housing Provident Funds promulgated in 1999 and amended in 2002, an enterprise is required, within a prescribed time limit, to register with the relevant social security authority and housing provident fund management center, and to open the relevant accounts and make timely contributions for their employees; failure to do so may subject the enterprise to order for rectification, and certain fines if the enterprise fails to rectify in time. As of the date of this prospectus, such subsidiaries of our VIE have not received any demand or order from the competent authorities with respect to their social security and housing provident fund contributions. In the event that the relevant authorities determine that we have underpaid, such subsidiaries of our VIE may be required to pay outstanding contributions and penalties to the extent they did not make full contributions to the social security and housing provident funds.

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

Pursuant to the Notice on Strengthening Administration of Enterprise Income Tax for Share Transfers by Non-PRC Resident Enterprises, or SAT Circular 698, issued by SAT in 2009 with retroactive effect from January 1, 2008, where a non-resident enterprise transfers the equity interests of a PRC resident enterprise indirectly by disposition of the equity interests of an overseas holding company, or an Indirect Transfer, and such overseas holding company is located in a tax jurisdiction that: (i) has an effective tax rate less than 12.5% or (ii) does not tax foreign income of its residents, the non-resident enterprise, being the transferor, shall report to the competent tax authority of the PRC resident enterprise this Indirect Transfer.

In February 2015, SAT issued a Public Notice Regarding Certain Corporate Income Tax Matters on Indirect Transfer of Properties by Non-Tax Resident Enterprises, or SAT Circular 7, which supersedes the rules with respect to the Indirect Transfer under SAT Circular 698, but does not touch upon the other provisions of SAT Circular 698, which remain in force. SAT Circular 7 extends its tax jurisdiction to not only Indirect Transfers set forth under SAT Circular 698 but also transactions involving transfer of other taxable assets through offshore transfer of a foreign intermediate holding company. In addition, SAT Circular 7 provides clearer criteria than SAT Circular 698 for assessment of reasonable commercial purposes and has introduced safe harbors for internal group restructurings and the purchase and sale of equity through a public securities market. SAT Circular 7 also brings challenges to both foreign transferor and transferee (or other person who is obligated to pay for the transfer) of taxable assets. Where a non-resident enterprise transfers taxable assets indirectly by disposing of the equity interests of an overseas holding company, which is an Indirect Transfer, the non-resident enterprise as either transferor or transferee, or the PRC entity that directly owns the taxable assets, may report such Indirect Transfer to the relevant tax authority. Using a “substance over form” principle, the PRC tax authority may disregard the existence of the overseas holding company if it lacks a reasonable commercial purpose and was established for the purpose of reducing, avoiding or deferring PRC tax. As a result, gains derived from such Indirect Transfer may be subject to PRC enterprise income tax, and the transferee or other person who is obligated to pay for the transfer is obligated to withhold the applicable taxes, currently at a rate of 10% for the transfer of equity interests in a PRC resident enterprise. Both the transferor and the transferee may be subject to penalties under PRC tax laws if the transferee fails to withhold the taxes and the transferor fails to pay the taxes.

In October 2017, SAT issued an Announcement on Issues Relating to Withholding at Source of Income Tax of Non-resident Enterprises, or SAT Circular 37, effective December 2017, which, among others, repealed the Circular 698 and amended certain provisions in SAT Circular 7. According to SAT Circular 37, where the non-resident enterprise fails to declare the tax payable pursuant to Article 39 of the Enterprise Income Tax, the tax authority may order it to pay the tax due within required time limits, and the non-resident enterprise shall declare and pay the tax payable within such time limits specified by the tax authority. However, if the non-resident enterprise voluntarily declares and pays the tax payable before the tax authority orders it to do so within required time limits, it shall be deemed that such enterprise has paid the tax in time.

We face uncertainties as to the reporting and other implications of certain past and future transactions where PRC taxable assets are involved, such as offshore restructuring, sale of the shares in our offshore subsidiaries and investments. Our company may be subject to filing obligations or taxed if our company is transferor in such transactions, and may be subject to withholding obligations if our company is transferee in such transactions, under SAT Circular 7 and SAT Circular 37. For transfer of shares in our company by investors who are non-PRC resident enterprises, our PRC subsidiary may be requested to assist in the filing under the SAT circulars. As a result, we may be required to expend valuable resources to comply with the SAT circulars or to request the relevant transferors from whom we purchase taxable assets to comply with these circulars, or to establish that our company should not be taxed under these circulars, which may have a material adverse effect on our financial condition and results of operations.

Risks Related to our ADSs and This Offering

There has been no public market for our ADSs or ordinary shares prior to this offering, and you may not be able to resell our ADSs at or above the price you paid, or at all.

Prior to this initial public offering, there has been no public market for our ordinary shares. We will apply for listing the ADSs on the [NASDAQ Global Market/New York Stock Exchange]. Our ADSs will not be listed on any exchange or quoted for trading on any over-the-counter trading system. If an active trading market for our ADSs does not develop after this offering, the market price and liquidity of our ADSs will be materially and adversely affected.

Negotiations with the underwriters will determine the initial public offering price for our ADSs which may bear no relationship to their market price after the initial public offering. We cannot assure you that an active trading market for our ADSs will develop or that the market price of our ADSs will not decline below the initial public offering price.

The market price for our ADSs may be volatile.

The market price for our ADSs is likely to be highly volatile and subject to wide fluctuations in response to factors including the following:

- regulatory developments in our target markets affecting us, our clients or our competitors;
- announcements of studies and reports relating to the quality of our products and services or those of our competitors;
- changes in the economic performance or market valuations of other companies that provide wealth management services;
- actual or anticipated fluctuations in our quarterly results of operations and changes or revisions of our expected results;
- changes in financial estimates by securities research analysts;
- conditions in the wealth management services industry;
- announcements by us or our competitors of new services, acquisitions, strategic relationships, joint ventures or capital commitments;
- addition or departure of our senior management;

- fluctuations of exchange rates between the Renminbi and the U.S. dollar;
- release or expiry of lock-up or other transfer restrictions on our outstanding ordinary shares; and
- sales or perceived potential sales of additional ordinary shares.

In addition, the securities market has from time to time experienced significant price and volume fluctuations that are not related to the operating performance of particular companies. These market fluctuations may also have a material adverse effect on the market price of our ordinary shares.

Because our initial public offering price is substantially higher than our net tangible book value per share, you will experience immediate and substantial dilution.

If you purchase ADSs in this offering, you will pay more for your ADSs than the amount paid by our existing shareholders for their ordinary shares on a per ADS basis. As a result, you will experience immediate and substantial dilution of approximately $ per ADS, representing the difference between the initial public offering price of $ per ADS and our net tangible book value per ADS immediately after this offering, after giving effect to the automatic conversion of our preferred shares, immediately upon the completion of this offering and net proceed, to us from this offering. In addition, you may experience further dilution to the extent that our ordinary shares are issued upon the exercise of share options.

We do not expect to pay dividends in the foreseeable future and you may have to rely on price appreciation of our ADSs for any return on your investment.

We currently intend to retain most, if not all, of our available funds and any future earnings to fund the development and growth of our business. As a result, we do not expect to pay any cash dividends in the foreseeable future. Therefore, you should not rely on an investment in our ADSs as a source of future dividend income.

Our board of directors has complete discretion as to whether to distribute dividends. Even if our board of directors decides to declare and pay dividends, the timing, amount and form of future dividends, if any, will depend on, among other things, our future results of operations and cash flow, our capital requirements and surplus, the amount of distributions, if any, received by us from our subsidiaries, our financial condition, contractual restrictions and other factors deemed relevant by our board of directors. Accordingly, the return on your investment in our ADSs will likely depend entirely upon any future price appreciation of our ADSs. There is no guarantee that our ADSs will appreciate in value after this offering or even maintain the price at which you purchased the ADSs. You may not realize a return on your investment in our ADSs and you may even lose your entire investment in our ADSs.

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

Sales of our ADSs or ordinary shares in the public market after this offering, or the perception that these sales could occur, could cause the market price of our ADSs to decline. Upon completion of this offering, we will have ADSs (equivalent to ordinary shares) outstanding immediately after this offering. All ADSs sold in this offering will be freely transferable without restriction or additional registration under the U.S. Securities Act of 1933, as amended, or the Securities Act. The remaining ordinary shares outstanding after this offering will be available for sale, upon the expiration of the 180-day lock-up period beginning from the date of this prospectus, subject to volume and other restrictions as applicable under Rules 144 and 701 under the Securities Act. Any or all of these shares may be released prior to expiration of the lock-up period at the discretion of the representative. To the extent shares are released before the expiration of the lock-up period and sold into the market, the market price of our ADSs could decline.

Upon completion of this offering, certain holders of our ordinary shares will have the right to cause us to register under the Securities Act the sale of their shares, subject to the 180-day lock-up period in connection with this offering. Registration of these shares under the Securities Act would result in ADSs representing these shares becoming freely tradable without restriction under the Securities Act immediately upon the effectiveness of the registration. Sales of these registered shares in the form of ADSs, in the public market could cause the price of our ADSs to decline.

You may not have the same voting rights as the holders of our ordinary shares and may not receive voting materials in time to be able to exercise your right to vote.

Except as described in this prospectus and in the deposit agreement, holders of our ADSs will not be able to exercise voting rights attaching to the shares represented by our ADSs on an individual basis. Holders of our ADSs will appoint the depositary or its nominee as their representative to exercise the voting rights attaching to the shares represented by the ADSs. You may not receive voting materials in time to instruct the depositary to vote, and it is possible that you, or persons who hold their ADSs through brokers, dealers or other third parties, will not have the opportunity to exercise a right to vote. See "Description of Share Capital — Our Post-Offering Memorandum and Articles — Voting Rights" and "Description of American Depositary Shares — Voting Rights."

Your right to participate in any future rights offerings may be limited, which may cause dilution to your holdings and you may not receive cash dividends if it is impractical to make them available to you.

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

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

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

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

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

Under the deposit agreement, any action or proceeding against or involving the depositary, arising out of or based upon the deposit agreement or the transactions contemplated thereby or by virtue of owning the ADSs may only be instituted in a state or federal court in New York, New York, and you, as a holder of our ADSs, will have irrevocably waived any objection which you may have to the laying of venue of any such proceeding, and irrevocably submitted to the exclusive jurisdiction of such courts in any such action or proceeding.

The depositary may, in its sole discretion, require that any dispute or difference arising from the relationship created by the deposit agreement be referred to and finally settled by an arbitration conducted under the terms described in the deposit agreement, although the arbitration provisions do not preclude you from pursuing claims under the Securities Act or the Exchange Act in federal courts. See "Description of American Depositary Shares" for more information.

ADS holders may not be entitled to a jury trial with respect to claims arising under the deposit agreement, which could result in less favorable outcomes to the plaintiff(s) in any such action.

The deposit agreement governing the ADSs representing our ordinary shares provides that, subject to the depositary's right to require a claim to be submitted to arbitration, the federal or state courts in the City of New York have exclusive jurisdiction to hear and determine claims arising under the deposit agreement and in that regard, to the fullest extent permitted by law, ADS holders waive the right to a jury trial of any claim they may have against us or the depositary arising out of or relating to our ordinary shares, the ADSs or the deposit agreement, including any claim under the U.S. federal securities laws.

If we or the depositary opposed a jury trial demand based on the waiver, the court would determine whether the waiver was enforceable based on the facts and circumstances of that case in accordance with the applicable state and federal law. To our knowledge, the enforceability of a contractual pre-dispute jury trial waiver in connection with claims arising under the federal securities laws has not been finally adjudicated by the United States Supreme Court. However, we believe that a contractual pre-dispute jury trial waiver provision is generally enforceable, including under the laws of the State of New York, which govern the deposit agreement. In determining whether to enforce a contractual pre-dispute jury trial waiver provision, courts will generally consider whether a party knowingly, intelligently and voluntarily waived the right to a jury trial. We believe that this is the case with respect to the deposit agreement and the ADSs. It is advisable that you consult legal counsel regarding the jury waiver provision before investing in the ADSs.

If you or any other holders or beneficial owners of ADSs bring a claim against us or the depositary in connection with matters arising under the deposit agreement or the ADSs, including claims under federal securities laws, you or such other holder or beneficial owner may not be entitled to a jury trial with respect to such claims, which may have the effect of limiting and discouraging lawsuits against us and / or the depositary. If a lawsuit is brought against us and/or the depositary under the deposit agreement, it may be heard only by a judge or justice of the applicable trial court, which would be conducted according to different civil procedures and may result in different outcomes than a trial by jury would have had, including results that could be less favorable to the plaintiff(s) in any such action.

Nevertheless, if this jury trial waiver provision is not enforced, to the extent a court action proceeds, it would proceed under the terms of the deposit agreement with a jury trial. No condition, stipulation or provision of the deposit agreement or ADSs serves as a waiver by any holder or beneficial owner of ADSs or by us or the depositary of compliance with any substantive provision of the U.S. federal securities laws and the rules and regulations promulgated thereunder.

You may face difficulties in protecting your interests, and your ability to protect your rights through the U.S. federal courts may be limited because we are incorporated under Cayman Islands law, we conduct substantially all of our operations in China and all of our directors and officers reside outside the United States.

We are incorporated in the Cayman Islands, and conduct substantially all of our operations in China through our PRC subsidiary and variable interest entity. All of our directors and officers reside outside the United States and a substantial portion of their assets are located outside of the United States. As a result, it may be difficult or impossible for you to bring an action against us or against these individuals in the Cayman Islands or in China in the event that you believe that your rights have been infringed under the securities laws or otherwise. Even if you are successful in bringing an action of this kind, the laws of the Cayman Islands and of China may render you unable to enforce a judgment against our assets or the assets of our directors and officers. There is no statutory recognition in the Cayman Islands of judgments obtained in the United States, although the courts of the Cayman Islands will generally recognize and enforce a non-penal judgment of a foreign court of competent jurisdiction without retrial on the merits. For more information regarding the relevant laws of the Cayman Islands and China, see "Enforceability of Civil Liabilities."

Our corporate affairs are governed by our memorandum and articles of association, as amended and restated from time to time, and by the Companies Law (2010 Revision) and common law of the Cayman Islands. The rights of shareholders to take legal action against us and our directors, actions by minority shareholders and the fiduciary responsibilities of our directors are to a large extent governed by the common law of the Cayman Islands. The common law of the Cayman Islands is derived in part from comparatively limited judicial precedent in the Cayman Islands as well as from English common law, which provides persuasive, but not binding, authority on a court in the Cayman Islands. The rights of our shareholders and the fiduciary responsibilities of our directors under Cayman Islands law are not as clearly established as they would be under statutes or judicial precedents in the United States. In particular, the Cayman Islands has a less developed body of securities laws than the United States and provides significantly less protection to investors. In addition, Cayman Islands companies may not have standing to initiate a shareholder derivative action in U.S. federal courts.

As a result, our public shareholders may have more difficulty in protecting their interests through actions against us, our management, our directors or our major shareholders than would shareholders of a corporation incorporated in a jurisdiction in the United States.

You must rely on the judgment of our management as to the use of the net proceeds from this offering, and such use may not produce income or increase our ADS price.

We have not allocated a significant portion of the net proceeds of this offering to any particular purpose. Rather, our management will have considerable discretion in the application of the net proceeds received by us. You will not have the opportunity, as part of your investment decision, to assess whether proceeds are being used appropriately. You must rely on the judgment of our management regarding the application of the net proceeds of this offering. The net proceeds may be used for corporate purposes that do not improve our efforts to maintain profitability or increase our ADSs price. The net proceeds from this offering may be placed in investments that do not produce income or that lose value.

Our memorandum and articles of association will contain anti-takeover provisions that could adversely affect the rights of holders of our ADSs.

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

We may be classified as a passive foreign investment company under U.S. tax law, which could result in adverse U.S. federal income tax consequences to U.S. holders of our ADSs.

Depending upon the value of our assets (based, in part, on the market value of our ADSs) and the nature of our assets and income over time, we could be classified as a passive foreign investment company, or PFIC, for United States federal income tax purposes. Based on our current income and assets and projections as to the value of our ordinary shares and ADSs pursuant to this offering, we do not expect to be classified as a PFIC for the current taxable year. While we do not anticipate becoming a PFIC for the current taxable year, fluctuations in the market price of our ADSs may cause us to become a PFIC for the current or any subsequent taxable year.

We will be classified as a PFIC for any taxable year if either (i) at least 75% of our gross income for the taxable year is passive income or (ii) at least 50% of the value of our assets (determined on the basis of a quarterly average) is attributable to assets that produce or are held for the production of passive income. Although the law in this regard is unclear, we intend to treat our VIE (including its subsidiaries) as being owned by us for United States federal income tax purposes and we treat it that way, not only because we exercise effective control over the operation of such entity but also because we are entitled to substantially all of the economic benefits associated with it, and, as a result, we consolidate its operating results in our consolidated, U.S. GAAP financial statements. If it were determined, however, that we are not the owner of our VIE (including its subsidiaries) for U.S. federal income tax purposes, we may be treated as a PFIC for our taxable year ending on December 31, 2018 and any subsequent taxable year. Because of the uncertainties in the application of the relevant rules and PFIC status is a factual determination made annually after the close of each taxable year on the basis of the composition of our income and the value of our active versus passive assets, there can be no assurance that we will not be a PFIC for the taxable year ending on December 31, 2018 or any future taxable year. The overall level of our passive assets will be affected by how, and how quickly, we spend our liquid assets and the cash raised in this offering. Under circumstances where we determine not to deploy significant amounts of cash for active purposes, our risk of becoming classified as a PFIC would substantially increase.

If we were to be or become classified as a PFIC, a U.S. holder (as defined in “Taxation — U.S. Federal Income Tax Considerations — General”) may be subject to reporting requirements and may incur significantly increased United States income tax on gain recognized on the sale or other disposition of the ADSs or ordinary shares and on the receipt of distributions on the ADSs or ordinary shares to the extent such gain or distribution is treated as an “excess distribution” under the United States federal income tax rules. Further, if we were a PFIC for any year during which a U.S. holder held our ADSs or ordinary shares, we would continue to be treated as a PFIC for all succeeding years during which such U.S. holder held our ADSs or ordinary shares. You are urged to consult your tax advisor concerning the United States federal income tax consequences of acquiring, holding, and disposing of ADSs or ordinary shares if we are or become classified as a PFIC. See “Taxation — U.S. Federal Income Tax Considerations — Passive Foreign Investment Company Considerations.”

We will incur increased costs as a result of being a public company.

As a public company, we will incur significant accounting, legal and other expenses that we did not incur as a private company. The Sarbanes-Oxley Act, as well as rules subsequently implemented by the SEC and the [NASDAQ Global Market/New York Stock Exchange], have detailed requirements concerning corporate governance practices of public companies including Section 404 relating to internal controls over financial reporting. We expect these rules and regulations to increase our accounting, legal and financial compliance costs and to make certain corporate activities more time-consuming and costly. In addition, we will incur additional costs associated with our public company reporting requirements. We are currently evaluating and monitoring developments with respect to these new rules, and we cannot predict or estimate the amount of additional costs we may incur or the timing of such costs.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

We have made statements in this prospectus, including under "Prospectus Summary," "Risk Factors," "Management's Discussion and Analysis of Financial Condition and Results of Operations," "Business" and elsewhere that constitute forward-looking statements. Forward-looking statements involve risks and uncertainties, such as statements about our plans, objectives, expectations, assumptions or future events. In some cases, you can identify forward-looking statements by terminology such as "anticipate," "estimate," "plan," "project," "potential," "continue," "ongoing," "expect," "aim," "believe," "intend," "may," "should," "will," "is/are likely to," "could" and similar expressions denoting uncertainty or an action that may, will or is expected to occur in the future. These statements involve estimates, assumptions, known and unknown risks, uncertainties and other factors that could cause actual results to differ materially from any future results, performances or achievements expressed or implied by the forward-looking statements.

Examples of forward-looking statements include statements relating to:

- our business strategies, goals and objectives;
- our future business development, financial condition and results of operations;
- the expected growth of China's wealth management services market, corporate finance services market as well as asset management services market;
- our expectations regarding demand for and market acceptance of our existing and future products and services;
- projections of revenue, earnings, capital structure and other financial items;
- the capabilities of our business operations;
- expected future economic performance;
- relevant government policies and regulations relating to our industry;
- competition in the wealth management services industry as well as the asset management services industry; and
- general economic and business conditions in the markets in which we operate;

These forward-looking statements involve various risks and uncertainties. Although we believe that our expectations expressed in these forward-looking statements are reasonable, our expectations may later be found to be incorrect. Our actual results could be materially different from our expectations. Important risks and factors that could cause our actual results to be materially different from our expectations are generally set forth in "Prospectus Summary – Our Challenges and Risks," "Risk Factors," "Management's Discussion and Analysis of Financial Condition and Results of Operations," "Business," "Regulation" and other sections in this prospectus. You should thoroughly read this prospectus and the documents that we refer to with the understanding that our actual future results may be materially different from and worse than what we expect. We qualify all of our forward-looking statements by these cautionary statements.

This prospectus contains certain data and information that we obtained from various government and private publications as well as a report issued by CIC, a PRC consulting and market research firm. Statistical data in these publications and the report also include projections based on a number of assumptions. The wealth management industry, asset management industry and corporate finance industry may not grow at the rate projected by market data, or at all. Failure of such industries to grow at the projected rate may have a material and adverse effect on our business and the market price of our ADSs. Furthermore, if any one or more of the assumptions underlying the market data are later found to be incorrect, actual results may differ from the projections based on these assumptions. You should not place undue reliance on these forward-looking statements.

The forward-looking statements made in this prospectus relate only to events or information as of the date on which the statements are made in this prospectus. Except as required by law, we undertake no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise, after the date on which the statements are made or to reflect the occurrence of unanticipated events. You should read this prospectus and the documents that we refer to in this prospectus and have filed as exhibits to the registration statement, of which this prospectus is a part, completely and with the understanding that our actual future results may be materially different from what we expect.

USE OF PROCEEDS

We estimate that we will receive net proceeds from the minimum offering amount of approximately US$ million after deducting underwriting discounts and commissions and the estimated offering expenses payable by us, and net proceeds from the maximum offering amount of approximately US$ million after deducting underwriting discounts and commissions and the estimated expenses payable by us. These estimates are based upon an assumed initial public offering price of US$ per ADS, the mid-point of the estimated range of the initial public offering price shown on the front cover of this prospectus. A US$1.00 increase (decrease) in the assumed initial public offering price of US$ per ADS, the mid-point of the estimated range of the initial public offering price shown on the front cover of this prospectus, would increase (decrease) the net proceeds to us from this offering by US$ million if the minimum offering amount is sold, or approximately US$ million if the maximum offering amount is sold, after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us.

We plan to use the net proceeds of this offering as follows:

- 20% of the net proceeds of this offering to expand our branch network, including expanding branches in tier one and tier two cities in China, developing our base of independent investment advisors and additional seed clients, and hiring additional investment advisors;
- 20% of the net proceeds of this offering to upgrade our IT infrastructure;
- 20% of the net proceeds of this offering to launch additional FoFs and non-performing loan funds under our asset management business; and
- the remaining 40% for general corporate purposes, including to fund strategic investments and acquisitions.

The foregoing represents our current intentions based upon our present plans and business conditions to use and allocate the net proceeds of this offering. Our management, however, will have significant flexibility and discretion to apply the net proceeds of this offering. If an unforeseen event occurs or business conditions change, we may use the proceeds of this offering differently than as described in this prospectus. See “Risk Factors—Risks Related to Our ADSs and This Offering—You must rely on the judgment of our management as to the use of the net proceeds from this offering, and such use may not produce income or increase our ADS price.”

In using the net proceeds of this offering, we are permitted under PRC laws and regulations as an offshore holding company to provide funding to our WFOE only through loans or capital contributions and to our VIE only through loans, subject to the satisfaction of applicable government registration, approval and filing requirements. We expect 30% of the net proceeds to be used by us or our offshore intermediate holding companies for general corporate purposes, and the remaining 70% to be immediately remitted to our WFOE and/or our VIE following the completion of this offering to be applied towards our planned use of proceeds. With respect to capital contributions that we can make to our WFOE, as of the date of this prospectus, the maximum amount of capital contributions that we may make to our WFOE is US$200 million, without obtaining approvals from SAFE or other government authorities. The WFOE may increase its registered capital to receive additional capital contributions from us at any time, and currently there is no statutory limit to the amount of registered capital. The relevant filing and registration processes for increasing the cap for capital contributions typically take approximately eight weeks to be completed. With respect to loans, pursuant to relevant PRC regulations, the maximum amount of loans that we may provide to our WFOE equals to the larger amount of (i) the balance between the total investment amount (approved by the Ministry of Commerce or its local counterpart) and the amount of registered capital of our WFOE, or (ii) two times of the amount of the net assets of the WFOE calculated in accordance with PBOC Circular 9; and the maximum amount of loans we may provide to our VIE equals to two times of the amount of the net assets of our VIE calculated in accordance with PBOC Circular 9.Each of the loans to our WFOE or VIE is subject to satisfaction of applicable government registration or approval requirements. The relevant filing and registration processes for such loans typically take approximately four weeks to be completed. See “Regulations—PRC Regulations Relating to Foreign Debt” for details. While we currently see no material obstacles to complete the relevant filing and registration processes with respect to future loans or capital contributions to our WFOE and/or our VIE, we cannot assure you that we will be able to obtain these government registrations or approvals on a timely basis, if at all. See “Risk Factors—Risks Related to Doing Business in China—PRC regulation of loans to and direct investment in PRC entities by offshore holding companies and governmental control of currency conversion may delay or prevent us from using the proceeds of this offering to make loans or additional capital contributions to our PRC subsidiary, which could materially and adversely affect our liquidity and our ability to fund and expand our business.”

DIVIDEND POLICY

Since inception, we have not declared or paid any dividends on our shares. We do not have any present plan to pay any dividends on our ordinary shares or ADSs in the foreseeable future. We intend to retain most, if not all, of our available funds and any future earnings to operate and expand our business.

Any other future determination to pay dividends will be made at the discretion of our board of directors and may be based on a number of factors, including our future operations and earnings, capital requirements and surplus, general financial condition, contractual restrictions and other factors that the board of directors may deem relevant. If we pay any dividends, we will pay our ADS holders to the same extent as holders of our ordinary shares, subject to the terms of the deposit agreement, including the fees and expenses payable thereunder. See “Description of American Depositary Shares—American Depositary Shares.” Cash dividends on our ordinary shares, if any, will be paid in U.S. dollars.

We are an exempted company incorporated in the Cayman Islands. In order for us to distribute any dividends to our shareholders and ADS holders, we may rely on dividends distributed by our PRC subsidiary. Certain payments from our PRC subsidiary to us may be subject to PRC withholding income tax. In addition, regulations in the PRC currently permit payment of dividends of a PRC company only out of accumulated distributable after-tax profits as determined in accordance with its articles of association and the accounting standards and regulations in China. Our PRC subsidiary is required to set aside at least 10% of its after-tax profit based on PRC accounting standards every year to a statutory common reserve fund until the aggregate amount of such reserve fund reaches 50% of the registered capital of such subsidiary. Such statutory reserves are not distributable as loans, advances or cash dividends.

EXCHANGE RATE INFORMATION

Our reporting currency is the Renminbi because our business is substantially conducted in China and all of our revenues are denominated in Renminbi. This prospectus contains translations of Renminbi amounts into U.S. dollars at specific rates solely for the convenience of the reader. The conversion of Renminbi into U.S. dollars in this prospectus is based on the exchange rate set forth in the H.10 statistical release of the Board of Governors of the Federal Reserve System. Unless otherwise noted, all translations from Renminbi to U.S. dollars and from U.S. dollars to Renminbi in this prospectus were made at a rate of RMB6.6171 to US$1.00, the exchange rate on June 29, 2018 set forth in the H.10 statistical release of the Board of Governors of the Federal Reserve System. We make no representation that any Renminbi or U.S. dollar amounts could have been, or could be, converted into U.S. dollars or Renminbi, as the case may be, at any particular rate, the rates stated below, or at all. The PRC government imposes control over its foreign currency reserves in part through direct regulation of the conversion of Renminbi into foreign exchange and through restrictions on foreign trade. On November 16, 2018, the exchange rate for Renminbi was RMB6.9367 to US$1.00.

The following table sets forth information concerning exchange rates between the Renminbi and the U.S. dollar for the periods indicated. These rates are provided solely for your convenience and are not necessarily the exchange rates that we used in this prospectus or will use in the preparation of our periodic reports or any other information to be provided to you.

	Exchange Rate			
Period	**Period End**	**Average**	**Low**	**High**
		(RMB per US$1.00)		
2013	6.0537	6.1412	6.0537	6.2438
2014	6.2046	6.1704	6.0402	6.2591
2015	6.4778	6.2869	6.2046	6.4778
2016	6.9430	6.6400	6.9580	6.4480
2017	6.5063	6.7350	6.9575	6.4773
2018				
April	6.3325	6.2967	6.3340	6.2655
May	6.4096	6.3701	6.4175	6.3325
June	6.6171	6.4651	6.6235	6.3850
July	6.8038	6.7164	6.8102	6.6123
August	6.8300	6.8453	6.9330	6.8018
September	6.8680	6.8551	6.8880	6.8270
October	6.9737	6.9191	6.9737	6.8680
November (through November 16)	6.9367	6.9305	6.8894	6.9553

Source: Federal Reserve Statistical Release

Note:

(1) Annual averages are calculated by using the average of the exchange rates on the last day of each month during the relevant year. Monthly averages are calculated by using the average of the daily rates during the relevant month.

CAPITALIZATION

The following table sets forth our capitalization as of June 30, 2018:

- On an actual basis; and
- On a pro forma basis to give effect to the sale of ordinary shares in the form of ADSs by us in this offering at the assumed initial public offering price of $ per ADS, which is the mid-point of the estimated range of the initial public offering price shown on the front cover of this prospectus, after deducting the underwriting discounts and commissions and estimated offering expenses payable by us.

You should read this table together with our consolidated financial statements and the related notes included elsewhere in this prospectus and the information under "Management's Discussion and Analysis of Financial Condition and Results of Operations."

	As of June 30, 2018					
	Actual		As Adjusted for IPO (Minimum offering amount) (1)		As Adjusted for IPO (Maximum offering amount)(1)	
	RMB	US$	RMB	US$	RMB	US$
	(in thousands except shares)					
Ordinary shares	529	80				
Shares(2)	80,000,000	80,000,000				
Par Value Amount						
Call-up Capital						
Additional Paid-In Capital	62,705	9,476				
Statutory reserve	14,152	2,139				
Retained Earnings	107,407	16,232				
Accumulated Other Comprehensive Income						
Total	**184,793**	**27,927**				

(1) We have agreed to pay Network 1 Financial Securities, Inc. (the "Underwriter") a fee equal to % of the gross proceeds of the offering from investors introduced by the Underwriter and a fee equal to % of the gross proceeds of the offering from investors introduced by us. The calculation above is based on the assumption that all shares sold in this offering were to investors introduced by the Underwriter. Proceeds to the company will be higher if any shares sold in this offering were to investors introduced by us. We have agreed to pay a corporate finance fee of % of the gross proceeds of the offering. See "Underwriting" in this prospectus for more information regarding our arrangements with the Underwriter.

(2) The number of shares shown in the first column is the number of shares as of June 30, 2018. On August 6, 2018, we issued an aggregate of 80, 000,000 ordinary shares with total consideration of US$80,000, at price of US$0.001 per share on the same day. On September 5, 2018, we issued an aggregate of 4,033,600 ordinary shares with a total consideration of US$1,468,976.8. In accordance with SEC SAB Topic 4, the nominal share issuance was accounted for as a stock split and that all share and per share information has been retrospectively restated to reflect such stock split for all periods presented.

DILUTION

If you invest in our ADSs, your interest will be immediately diluted by US$, representing the difference between our net tangible book value per ADS at US$ as of , 2018 after giving effect to this offering and an assumed initial public offering price of US$ per ADS, which is based on the mid-point of the estimated initial public offering price range set forth on the cover page of this prospectus and assuming the minimum offering amount is sold, or an immediate dilution of US$ per ADS, representing the difference between our net tangible book value per ADS at US$ as of , 2018 after giving effect to this offering and an assumed initial public offering price of US$ per ADS, which is based on the mid-point of the estimated initial public offering price range set forth on the cover page of this prospectus and assuming the maximum offering amount is sold. Dilution results from the fact that the initial public offering price per ordinary share is substantially in excess of the book value per ordinary share attributable to the existing shareholders for our presently outstanding ordinary shares.

Dilution to New Investors if the Minimum Offering Amount is Sold

Our net tangible book value as of June 30, 2018 was $29.2 million, or $0.36 per ordinary share as of that date and $ per ADS. Net tangible book value represents the amount of our total consolidated assets (excluding intangible assets), less the amount of our total consolidated liabilities. Dilution is determined by subtracting net tangible book value per ordinary share, after giving effect to the additional proceeds we will receive from this offering, from the assumed initial public offering price of $ per ordinary share, which is the midpoint of the estimated initial public offering price range set forth on the cover page of this prospectus adjusted to reflect the ADS-to-ordinary share ratio, and after deducting underwriting discounts and commissions and estimated offering expenses payable by us.

Without taking into account any other changes in net tangible book value after June 30, 2018, other than to give effect to our sale of the ADSs offered in this offering at the assumed initial public offering price of $ per ADS, the midpoint of the estimated range of the initial public offering price, after deduction of the underwriting discounts and commissions and estimated offering expenses payable by us, our pro forma as adjusted net tangible book value as of June 30, 2018 would have been $ million, or $ per ordinary share and $ per ADS. This represents an immediate increase in net tangible book value of $ per ordinary share and $ per ADS to the existing shareholders and an immediate dilution in net tangible book value of $ per ordinary share and $ per ADS to investors purchasing ADSs in this offering. The following table illustrates such dilution:

	Per Ordinary Share	Per ADS
Assumed initial offering price	$	
Net tangible book value as of June 30, 2018	$	
Increase/(decrease) in net tangible book value attributable to the sale of the ADSs	$	
Pro forma as adjusted net tangible book value after the offering	$	
Amount of dilution in net tangible book value to new investors	$	

A $1.00 increase (decrease) in the assumed public offering price of $ per ADS would increase (decrease) our pro forma as adjusted net tangible book value after giving effect to this offering by $ million, the pro forma as adjusted net tangible book value per ordinary share and per ADS after giving effect to this offering by $ per ordinary share and $ per ADS and the dilution in pro forma as adjusted net tangible book value per ordinary share and per ADS to new investors in this offering by $ per ordinary share and $ per ADS, assuming no change to the number of ADSs offered by us as set forth on the cover page of this prospectus, and after deducting underwriting discounts and commissions and other offering expenses.

The following table summarizes, on a pro forma as adjusted basis as of June 30, 2018, the differences between existing shareholders and the new investors with respect to the minimum number of ordinary shares (in the form of ADSs or shares) purchased from us, the total consideration paid and the average price per ordinary share and per ADS paid before deducting the underwriting discounts and commissions and estimated offering expenses.

	Ordinary Shares Purchased		Total Consideration		Average Price Per	Average Price Per
	Number	Percent	Amount	Percent	Ordinary Share	ADS
Existing shareholders			$	%	$	$
New investors			$	%	$	$
Total			$	100%		

The pro forma as adjusted information discussed above is illustrative only. Our net tangible book value following the completion of this offering is subject to adjustment based on the actual initial public offering price of our ADSs and other terms of this offering determined at pricing.

Dilution to New Investors if the Maximum Offering Amount is Sold

Our net tangible book value as of June 30, 2018 was $29.2 million, or $0.36 per ordinary share as of that date and $ per ADS. Net tangible book value represents the amount of our total consolidated assets (excluding intangible assets), less the amount of our total consolidated liabilities. Dilution is determined by subtracting net tangible book value per ordinary share, after giving effect to the additional proceeds we will receive from this offering, from the assumed initial public offering price of $ per ordinary share, which is the midpoint of the estimated initial public offering price range set forth on the cover page of this prospectus adjusted to reflect the ADS-to-ordinary share ratio, and after deducting underwriting discounts and commissions and estimated offering expenses payable by us.

Without taking into account any other changes in net tangible book value after June 30, 2018, other than to give effect to our sale of the ADSs offered in this offering at the assumed initial public offering price of $ per ADS, the midpoint of the estimated range of the initial public offering price, after deduction of the underwriting discounts and commissions and estimated offering expenses payable by us, our pro forma as adjusted net tangible book value as of June 30, 2018 would have been $ million, or $ per ordinary share and $ per ADS. This represents an immediate increase in net tangible book value of $ per ordinary share and $ per ADS to the existing shareholders and an immediate dilution in net tangible book value of $ per ordinary share and $ per ADS to investors purchasing ADSs in this offering. The following table illustrates such dilution:

	Per Ordinary Share	Per ADS
Assumed initial offering price	$	
Net tangible book value as of June 30, 2018	$	
Increase/(decrease) in net tangible book value attributable to the sale of the ADSs	$	
Pro forma as adjusted net tangible book value after the offering	$	
Amount of dilution in net tangible book value to new investors	$	

A $1.00 increase (decrease) in the assumed public offering price of $ per ADS would increase (decrease) our pro forma as adjusted net tangible book value after giving effect to this offering by $ million, the pro forma as adjusted net tangible book value per ordinary share and per ADS after giving effect to this offering by $ per ordinary share and $ per ADS and the dilution in pro forma as adjusted net tangible book value per ordinary share and per ADS to new investors in this offering by $ per ordinary share and $ per ADS, assuming no change to the number of ADSs offered by us as set forth on the cover page of this prospectus, and after deducting underwriting discounts and commissions and other offering expenses.

The following table summarizes, on a pro forma as adjusted basis as of June 30, 2018, the differences between existing shareholders and the new investors with respect to the maximum number of ordinary shares (in the form of ADSs or shares) purchased from us, the total consideration paid and the average price per ordinary share and per ADS paid before deducting the underwriting discounts and commissions and estimated offering expenses.

	Ordinary Shares Purchased		Total Consideration		Average Price Per Ordinary Share	Average Price Per ADS
	Number	Percent	Amount	Percent		
Existing shareholders			$	%	$	$
New investors			$	%	$	$
Total			$	100%		

The pro forma as adjusted information discussed above is illustrative only. Our net tangible book value following the completion of this offering is subject to adjustment based on the actual initial public offering price of our ADSs and other terms of this offering determined at pricing.

SELECTED CONSOLIDATED FINANCIAL DATA

The following summary consolidated statements of operations data for the year ended June 30, 2017 and 2018, and summary consolidated balance sheets data as of June 30, 2017 and 2018 and summary consolidated cash flow data as of June 30, 2017 and 2018 have been derived from our audited consolidated financial statements included elsewhere in this prospectus. Our consolidated financial statements are prepared and presented in accordance with the generally accepted accounting principles in the United States of America, or U.S. GAAP. You should read this Summary Consolidated Financial Data and Summary Operating Data section together with our consolidated financial statements and the related notes and "Management's Discussion and Analysis of Financial Condition and Results of Operations" included elsewhere in this prospectus. Our historical results are not necessarily indicative of results expected for future periods.

Selected Consolidated Statements of Income

	For the year ended June 30,		
	2017	2018	2018
	RMB	RMB	US$
	(combined, in thousands)		
Net revenues:			
Wealth management services	144,925	140,403	21,218
Corporate financing services	773	13,710	2,072
Asset management services	-	103	16
Information technology services and others	9,993	11,595	1,752
Total net revenues	**155,691**	**165,811**	**25,058**
Operating costs and expenses:			
Cost of sales	(53,397)	(28,825)	(4,356)
Selling expenses	(34,969)	(45,470)	(6,872)
General and administrative expenses	(20,088)	(28,623)	(4,326)
Total operating costs and expenses	**(108,454)**	**(102,918)**	**(15,554)**
Income from operations	**47,237**	**62,893**	**9,504**
Other income, net:			
Investment income	1,715	5,144	777
Interest income	51	3,640	550
Interest expenses	(2,311)	-	-
Others, net	843	201	31
Income from continuing operations before income taxes and discontinued operations	**47,535**	**71,878**	**10,862**
Income tax expense	(7,641)	(8,261)	(1,248)
Net income from continuing operations	**39,894**	**63,617**	**9,614**
Net loss from discontinued operations, net of tax	(254)	-	-
Net income	**39,640**	**63,617**	**9,614**
less: net income (loss) attributable to non-controlling interests	1,827	(979)	(148)
Net income attributable to the Company's shareholders	**37,813**	**64,596**	**9,762**

	For the year ended June 30,		
	2017	2018	2018
	RMB	RMB	US$
		(combined)	
Net income per share:			
Basic and Diluted			
Net income from continuing operations	0.476	0.807	0.122
Net loss from discontinued operations	(0.003)	-	-
Net income	0.473	0.807	0.122
Weighted average number of shares used in computation:			
Basic:	80,000,000	80,000,000	80,000,000
Diluted	80,000,000	80,000,000	80,000,000

Selected Consolidated Statements of Financial Position

	As of June 30,		
	2017	2018	2018
	RMB (combined)	RMB	US$
		(in thousands)	
Total current assets	185,127	214,574	32,427
Total assets	191,663	225,866	34,134
Total current liabilities	33,113	32,214	4,869
Total liabilities	33,113	32,214	4,869
Total equity interest attributable to the company	148,712	184,793	27,927
Non-controlling interests	9,838	8,859	1,338

Selected Consolidated Statements of Cash Flow:

	For the year ended June 30,		
	2017	2018	2018
	RMB	RMB	US$
		(combined, in thousands)	
Net cash (used in) provided by operating activities	(23,069)	44,916	6,788
Net cash provided by investing activities	21,074	10,047	1,518
Net cash used in financing activities	(26,194)	-	-
Net (decrease) increase in cash and cash equivalents, and restricted cash	(28,189)	54,963	8,306
Cash and cash equivalents at beginning of year	85,226	57,037	8,620
Cash and cash equivalents at end of year	57,037	112,000	16,926

POST-OFFERING OWNERSHIP

The following charts illustrate our pro forma proportionate ownership, upon completion of this offering by present shareholders and investors in this offering, compared to the relative amounts paid by each. The charts reflect payment by present shareholders as of the date the consideration was received and by investors in this offering at the assumed offering price without deduction of commissions or expenses. The charts further assume no changes in net tangible book value other than those resulting from the offering.

	Shares Purchased		Total Consideration		Average Price
	Number of Shares	Percent (%)	Amount ($)	Percent (%)	Per Share ($)
Existing shareholders		%		%	
New investors		%		%	
Total		100%		100%	

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion and analysis of our financial condition and results of operations in conjunction with the section entitled "Selected Consolidated Financial Data" and our consolidated financial statements and the related notes included elsewhere in this prospectus. This discussion contains forward-looking statements that involve risks and uncertainties. Our actual results and the timing of selected events could differ materially from those anticipated in these forward-looking statements as a result of various factors, including those set forth under "Risk Factors" and elsewhere in this prospectus.

Overview

Puyi is the largest third-party wealth management services provider in China focusing on mass affluent and emerging middle class population, with a 10.4% market share based on 2017 transaction value, according to CIC. We are also the 21st largest third-party wealth management services provider in China overall based on the same metric, according to the same source.

We provide wealth management services, corporate finance services and asset management services. Our largest business has been our wealth management services business. For the year ended June 30, 2017 and the year ended June 30, 2018, the aggregate transaction value of the wealth management products we distributed totaled RMB5.6 billion and RMB6.0 billion (US$0.9 billion), respectively. Under our wealth management services, we charge all financial product issuers distribution commissions calculated as a percentage of the amount of products distributed by us, and specifically, earn performance-based fees mainly from the issuers of the privately raised fund products that we distribute. In addition, we have a substantial corporate finance services business, under which we provide financing services to corporate borrowers, and generate revenue computed as a percentage of the amount financed. In April 2018, we commenced our asset management services business where we manage FoFs. Under this business, we are entitled to management fees amounting to a percentage of capital committed and a performance-based fees based on the extent of which the fund's investment performance exceeds a certain threshold at the end of the contract term.

We have experienced significant growth in recent years. Our net revenues increased from RMB155.7 million for the year ended June 30, 2017 to RMB165.8 million (US$25.1 million) for the year ended June 30, 2018. Our net income increased from RMB39.6 million for the year ended June 30, 2017 to RMB63.6 million (US$9.6 million) for the year ended June 30, 2018.

Major Factors Affecting Our Results of Operations

We believe that the major factors affecting our results of operations include the following.

Effectiveness of our seed client model

To expand our business more quickly and efficiently, we have developed a sales model by collaborating with seed clients—existing clients who believe in our service capabilities—to actively market our products or services on social media platforms to their family, friends and acquaintances. Approximately 98% of our total sales for the year ended June 30, 2017 and all of our 2018 sales were generated by our seed clients. Therefore, the number of our seed clients and their ability to attract more potential clients are vital to the expansion of our business. We define seed clients who bring in at least one new registered user of our apps or one new client during any given period as active seed clients in that same period. Increases in the number of active seed clients and percentage of active seed clients to total seed clients indicate an improvement in sales performance of our seed clients and the expansion of our new client base. As of June 30, 2016, 2017 and 2018, the number of our seed clients increased from approximately 16,000 to 25,200 and further to 35,000. For the years ended June 30, 2017 and 2018, we had 25,014 and 33,922 active seed clients, respectively, accounting for 96.8% and 97.2% of the total seed clients for the same periods, respectively.

We expect that the number of seed clients, the number of active seed clients and the number of new clients brought in by seed clients will continue to be a key factor affecting our revenue growth. The number of new clients we may develop is affected by the breadth of our coverage network (including seed clients and branch offices) and the support services we provide. As we expand our coverage network and expand the team of our investment advisors who are responsible for providing support services to seed clients, we will increase our capacity and capability to cultivate and serve new clients, which may result in an increase in the number of seed clients and new clients introduced by them.

Business Mix

Other than the wealth management services we provided since our inception, we commenced corporate finance services in January 2017 and asset management services in April 2018. From January 2017 to April 2018, we also provided information technology services to third parties. Our revenue, net profit, profit margins and other aspects of our results of operations are affected by the level of success we experience in each of the businesses we operate:

- *Wealth management services.* The composition and level of revenues that we derive from wealth management services are affected by the type of products we distribute, as the product type determines the fee rates of one-time commissions we can received from the wealth management products we distribute.

  In particular, our online sold wealth management products primarily consist of (i) publicly raised fund products, (ii) exchange administered products and (iii) asset management plans. Due to the relatively low fee rate of publicly raised fund products as compared to privately raised fund products, we expect that revenue from such products to continue accounting for a small portion of our total net revenue. In order to increase revenue in our publicly raised fund products, we plan to develop and manage FoF type of products with performance fee-based structures. Since the end of 2017, as a result of the changing governmental regulatory environment to support industries in the "new economy" and consumption economy and disfavors leveraged financing, the number of real estate development financing type and governmental financial type exchange administered products decreased dramatically from December 2017 to April 2018 and adversely affected the transaction volume and revenue of our distribution services. From May 2018, in line with the new regulatory environment, we witnessed a substantial increase in the number of exchange administered products based on supply chain financing and micro- and small businesses working capital loans, which are primary product types we currently offer.

- *Corporate finance services.* Under our corporate finance services business, we provide financing services to corporate borrowers, including product structure design, introduction of potential investors, compliance and risk management services. As we charge service fees equal to a percentage of total fund raised by taking into account of complexity of financing needs and designed structure, our revenue from corporate finance services depends on the transaction volume and may fluctuate among periods.

- *Asset management services*. We began our asset management services by launching two FoF products. Currently, we are in the preparation of launching more FoFs and NPL funds. See "Business – Our Services – Asset Management Services". Therefore, we estimate that our revenue from asset management services, as a percentage of total net revenue, to increase in the future.

- *Information technology services.* Historically, we provided information technology services to third parties through our VIE, Puyi Bohui and charged our clients a one-time service fee. Since 2018, we have strategically transitioned Puyi Bohui's function to one of IT support by shifting the focus of Puyi Bohui's services to meet our internal needs. As a result, we expect that we will no longer generate revenue from such services starting from 2019.

Product Mix

Our largest business line is wealth management services, and a significant majority of our wealth management services revenue is derived from privately raised fund products. Currently in China, a product provider (i.e. a fund manager) of privately raised fund products is required to identify the sales model of its fund products as under either a direct sales model or distributions on a commission basis model at the time of filing details of the relevant fund product with the AMAC. The fund managers can select either one at their sole discretion and can change subsequently during the term of the relevant funds. See "Regulation – PRC Regulations Relating to Wealth Management Services – Privately Raised Funds". The sale model chosen determines our fee structure. Under the direct sales model, fund managers bear all the costs and expenses in connection with the fund product distribution including the commissions paid to our seed clients. Accordingly, the revenue we generate from funds under direct sales are net of commission. For these funds, we recognize the distribution commission fees and performance-based fees we receive from fund managers as revenue, and no commissions are paid to seed clients by us or were recognized as cost of sales. In contrast, distributions on a commission basis refers to a gross commission model, where we are responsible for the commissions paid to seed clients. For gross-commission based funds, we recognize distribution commission fees and performance-based fees we receive as revenue for these funds and recognize the commissions paid to seed clients as cost of sales.

For the year ended June 30, 2018, one of our major product providers that previously elected to distribute under the gross-commission model subsequently changed its distribution model to net-commission based, which resulted in a significant increase in the number of our privately raised fund products distributed on a net-commission basis. As a result, our revenue from distribution of fund products under the net commission model increased significantly from RMB5.2 million for the year ended June 30, 2017 to RMB51.9 million (US$7.8 million) for the year ended June 30, 2018 while our revenue from distribution of fund products under the gross commission model decreased significantly from RMB80.5 million for the year ended June 30, 2017 to RMB36.9 million (US$5.6 million) for the year ended June 30, 2018. As a result of the foregoing, a significant change in the composition of the type of funds we distribute will affect our revenue, cost of sales and gross margin. Moreover, the fund manager can subsequently change the sales model during the term of relevant fund. Given that the selection of the sales model is at the sole discretion of the fund manager and is outside of our control, the respective proportion of products that we offer on a net-commission basis or a gross-commission basis may vary from year to year, which may lead to fluctuations in our net revenues, cost of sales and gross margin may change from time to time.

Operating Costs and Expenses

Our operating costs and expenses have a significant impact on our financial results. Total operating costs and expenses as a percentage of our revenue decreased from 69.7% for the year ended June 30, 2017 to 62.1% for the year June 30, 2018. Such decrease was primarily due to (i) a significant decrease in cost of sales of the operating costs and expenses for the year ended June 30, 2018; and (ii) an increase in net revenues from privately raised fund products for the year ended June 30, 2018, both of which were due to the significant increase in the number of privately raised funds distributed on net commission basis as discussed above. Additionally, we expect the continued expansion of our business operations, which would necessarily require us to hire additional personnel and expand our office space, to add to our overall expenses. Moreover, the cost associated with becoming a public company is expected to increase our cost level substantially.

Key Components of Results of Operations

Net Revenues

Our net revenues are total revenues net of business taxes and related surcharges. Historically, we generated revenue primarily from (i) wealth management services, (ii) corporate finance services, (iii) asset management services, and (iv) information technology services. The table below sets forth the components of our net revenues for the period indicated.

	For the year ended June 30,				
	2017		2018		2018
	RMB (in thousand)	%	RMB (in thousand) (combined)	%	US$ (in thousand)
Wealth management services	144,925	93.1	140,403	84.7	21,218
Corporate finance services	773	0.5	13,710	8.2	2,072
Asset management services	-	-	103	0.1	16
Information technology services	9,993	6.4	11,595	7.0	1,752
Total net revenues	**155,691**	**100.0**	**165,811**	**100.0**	**25,058**

Wealth Management Services

By revenue type

Our revenue from wealth management services primarily consists of commissions paid by wealth management product providers. Upon establishment of a financial product, we charge a distribution commission fee against the issuer by multiplying a pre-agreed annualized charge rate with the amount of products distributed through our online platform or offline sales network, prorated by the actual period length of the product. In addition, we receive performance-based fee income mainly for the privately raised funds we distribute, and to a lesser extent, subscription fees for our FoF products. Performance-based fees are calculated based on the extent by which the fund's investment performance exceeds a certain threshold at the end of the contract term. Performance-based fees are typically calculated and recognized at the end of each contract term when the cumulative return of the fund can be determined, and is not subject to clawback provision.

The following table sets forth the components of our revenue from wealth management services by fee type for the period indicated.

	For the year ended June 30,				
	2017		2018		2018
	RMB (in thousand)	%	RMB (in thousand) (combined)	%	US$ (in thousand)
Distribution commissions	144,925	100.0	126,843	90.3	19,169
Performance-based fees	-	-	13,560	9.7	2,049
Total	**144,925**	**100.0**	**140,403**	**100.0**	**21,218**

By product type

Our wealth management products can be classified into wealth management products distributed online and wealth management products (i.e. privately raised fund products) distributed offline through our branch network. The following table sets forth the components of our revenue from wealth management services by product type for the period indicated.

	For the year ended June 30,				
	2017		2018		2018
	RMB (in thousand)	%	RMB (in thousand) (combined)	%	US$ (in thousand)
Wealth management products distributed online					
Publicly raised fund products	72	0.0	1,101	0.8	166
Exchange administered products	59,129	40.8	50,056	35.7	7,565
Asset management products	-	-	484	0.3	73
Subtotal	*59,201*	*40.8*	*51,641*	*36.8*	*7,804*
Wealth management products distributed offline	85,724	59.2	88,762	63.2	13,414
Total	**144,925**	**100.0**	**140,403**	**100.0**	**21,218**

The following table sets forth the transaction value of the different product categories under our wealth management services for the period indicated.

	For the year ended June 30,				
	2017		2018		2018
	RMB (in thousand)	%	RMB (in thousand) (combined)	%	US$ (in thousand)
Wealth management products distributed online					
Publicly raised fund products	12,688	0.2	257,292	4.3	38,883
Exchange administered products	3,248,621	57.7	1,919,486	31.8	290,080
Asset management plans	-	-	53,600	0.9	8,100
Subtotal	*3,261,309*	*57.9*	*2,230,378*	*37.0*	*337,063*
Wealth management products distributed offline					
Net commission based funds	152,650	2.7	2,778,480	46.1	419,894
Gross commission based funds	2,220,750	39.4	1,018,010	16.9	153,845
Subtotal	*2,373,400*	*42.1*	*3,796,490*	*63.0*	*573,739*
Total	**5,634,709**	**100.0**	**6,026,868**	**100.0**	**910,802**

Our wealth management products distributed online include (i) publicly raised fund products, (ii) exchange administered products, and (iii) asset management plans. See “- Business – Our Services – Wealth Management Services”.

Net commission model vs. gross commission model

All of our wealth management products distributed offline through our branch network are privately raised fund products. Currently in China, a privately raised fund products provider is required to identify its fund products as under either a direct sales model or distribution on a commission based model at the time of filing details of the relevant fund products with the AMAC, which in turn determines the fee structure of privately raised funds distributed by us as either on a net-commission basis or a gross commission basis. Under the net commission model, the commissions paid to our seed clients are borne by providers of the fund products. For these funds, we recognize the distribution commission fees and performance-based fees we receive as revenue, and no commissions are paid to seed clients by us or recognized as cost of sales. In contrast, under the gross commission model, we are responsible for the commissions paid to seed clients. We recognize distribution commission fees and performance-based fees we receive as revenue for these funds and recognize the commissions paid to seed clients as cost of sales.

The following table sets forth the breakdown of revenue from wealth management products distributed offline by commission payment model for the periods indicated.

	For the year ended June 30,				
	2017		2018		2018
	RMB (in thousand)	%	RMB (in thousand) (combined)	%	US$ (in thousand)
Wealth management products distributed offline					
Net commission based funds	5,212	3.6	51,866	36.9	7,838
Gross commission based funds	80,512	55.6	36,896	26.3	5,576
Total	**85,724**	**59.2**	**88,762**	**63.2**	**13,414**

Corporate Finance Services

Since January 2017, we have provided corporate finance services by assisting corporate borrowers in their fund raising efforts. Our corporate finance fee charged is generally a percentage of total fund raised by taking into account the complexity of financing needs and product structure. Major corporate borrowers we serve have included consumer finance providers and auto supply chain companies. For a description of the services we provided, see “Business —Our Services—Corporate Finance Services”.

The following table sets forth the components of our revenue from corporate finance services by customer and service type for the period indicated.

	For the year ended June 30,				
	2017		2018		2018
	RMB (in thousand)	%	RMB (in thousand) (combined)	%	US$ (in thousand)
Auto supply chain service providers	773	100.0	7,692	56.1	1,162
Consumer finance provider	-	-	6,018	43.9	910
Total	**773**	**100.0**	**13,710**	**100.0**	**2,072**

Asset Management Services

Revenue under asset management services represents the management fees and carried interest from the funds that we manage. (The subscription fees we collect for the funds we manage are recorded as revenue under wealth management services. See "—Wealth Management Services—By revenue type".) We currently manage two FoFs launched in April 2018. See "Business – Our Services – Asset Management Business". As we plan to continue launching a number of new FoFs and NPL funds in the future, we expect that we will generate an increasing proportion of our revenue from asset management service business.

Information Technology Services

Historically, we collected services fees from the information technology services we provided through Puyi Bohui. The services fees were calculated based on the expected labor cost, project management services fee and a certain percentage of gross profit. Revenue from such services was recognized according to completion percentage plus total contract amount. Since 2018, we have strategically transitioned Puyi Bohui's function to one of IT support by shifting the focus of Puyi Bohui's services to meet our internal needs. As a result, we expect that we will no longer generate revenue from such services starting from 2019.

Operating Costs and Expenses

Our operating costs and expenses consist of (i) cost of sales, (ii) selling expenses, and (iii) general and administrative expenses. The following table sets forth the components of our operating costs and expenses for the period indicated.

	For the year ended June 30,				
	2017		2018		2018
	RMB (in thousand)	%	RMB (in thousand) (combined)	%	US$ (in thousand)
Cost of sales	53,397	49.2	28,825	27.9	4,356
Selling expenses	34,969	32.3	45,470	44.3	6,872
General and administrative	20,088	18.5	28,623	27.8	4,326
Total operating costs and expenses	**108,454**	**100.0**	**102,918**	**100.0**	**15,554**

Cost of Sales

Our cost of sales primarily consists of (i) commissions paid to third parties (i.e. our seed clients) on the gross-commission based funds we distribute (all of which are privately raised fund products) as well as on wealth management products distributed online; (ii) payment processing fees paid to third-parties payment platforms; and (iii) others (primarily consisting of fees and expenses paid to suppliers in relation to our IT services business).

The following table sets forth the components of our cost of sales for the period indicated.

	For the year ended June 30,				
	2017		2018		2018
	RMB (in thousand)	%	RMB (in thousand) (combined)	%	US$ (in thousand)
Commission cost					
Wealth management products distributed online	14,626	27.5	8,724	30.3	1,319
Gross-commission-based funds	28,517	53.3	10,099	35.0	1,526
Subtotal	*43,143*	*80.8*	*18,823*	*65.3*	*2,845*
Payment processing fees	6,291	11.8	3,343	11.6	504
Others	3,963	7.4	6,659	23.1	1,007
Total cost of sales	**53,397**	**100.0**	**28,825**	**100.0**	**4,356**

Selling Expenses

Selling expenses primarily consist of salaries and benefits of our investment advisors and other sales and marketing employees as well as marketing expenses for sales conferences and other promotional activities. We expect our selling expenses to increase in the near future as we intend to hire more investment advisors to support the expansion of our business.

General and Administrative Expenses

General and administrative expenses primarily consist of (i) salaries and benefits related to our management and administrative employees, (ii) office expenses, (iii) traveling expenses and (iv) amortization of our intangible assets such as software. In the short term, we expect our general and administrative expenses to increase as a result of expenses relating to this offering. In the longer term, we expect our general and administrative expenses to continue to increase in absolute terms as our business expands but remain relatively stable as a percentage of our net revenues.

Other income

Our other income primarily consists of (i) our investment income from wealth management products we purchased, (ii) interest income from commercial acceptance notes, (iii) interest income from a one-year loan to a real estate developing company with an annual interest rate of 10%, (iii) interest expenses in relation to the convertible bond issued in November 2014 with a principle amount of RMB51.3 million which was redeemed in November 2016, and (iv) grants from local government as incentives for high technology companies.

Income from continuing operations before income taxes and discontinued operations

As a result of the foregoing, we have income from continuing operations before income taxes and discontinued operations of RMB47.5 million and RMB71.9 million (US$10.9 million) for the year ended June 30, 2017 and 2018, respectively.

In December 2016, we disposed two subsidiaries to third parties for a total cash consideration of RMB57.7 million. We recognized a net loss of RMB8.6 million on such disposal, which was determined by the excess of the sales consideration over the net book value of the subsidiary at the time of disposal. These disposals were completed in December 2016.

Income Tax Expense

The Cayman Islands

Puyi Inc. is incorporated in the Cayman Islands. Under the current laws of the Cayman Islands, the Company is not subject to income or capital gains taxes. In addition, dividend payments are not subject to withholdings tax in the Cayman Islands.

British Virgin Islands

Our subsidiary incorporated in the BVI is not subject to taxation.

Hong Kong

Puyi HK is located in Hong Kong and is subject to an income tax rate of 16.5% for taxable income earned in Hong Kong.

PRC

The Group's PRC subsidiary and VIEs incorporated in PRC are subject to Income Tax in the PRC. Pursuant to the relevant laws and regulations in the PRC, Puyi Bohui is regarded as an accredited software company and a qualified High and New Technology Enterprise ("HNTE"), and thus enjoys preferential tax treatments, including being exempted from PRC Income Tax for two years starting from its first profit-making year, followed by a 50% reduction for the next three years. For Puyi Bohui, tax year 2015 was the first profit-making year and accordingly, Puyi Bohui has made a 12.5% tax provision for its profits from January 1, 2017. Shenzhen Puyi Zhongxiang Information Technology Co., Ltd. is qualified for Shenzhen Qianhai modern services cooperation district entity tax preference and is subject to an income tax rate for 15%. Chongqing Fengyi is qualified for west development taxation preference and is subject to an income tax rate for 15%. Our WFOE and other subsidiaries of our VIE are subject to a standard 25% EIT.

Critical Accounting Policies

Our consolidated financial statements include the financial statements of our Company, all our majority-owned subsidiaries and those VIEs of which we are the primary beneficiary, from the dates they were acquired or incorporated. We prepare consolidated financial statements in accordance with U.S. GAAP, which requires us to make judgments, estimates and assumptions that affect the reported amounts of our assets and liabilities and the disclosure of our contingent assets and liabilities at the end of each fiscal period and the reported amounts of revenues and expenses during each fiscal period. We continually evaluate these judgments and estimates based on our own historical experience, knowledge and assessment of current business and other conditions, our expectations regarding the future based on available information and assumptions that we believe to be reasonable, which an integral component of the financial reporting process, our actual results could differ from those estimates. Some of our accounting policies require a higher degree of judgment than others in their application.

Pursuant to the JOBS Act, as an emerging growth company, we can elect to opt out of the extended transition period for adopting any new or revised accounting standards. We have elected to opt in to such extended transition period, which means that when a standard is issued or revised and it has different application dates for public or private companies, we, as an emerging growth company, can delay the adoption of the new or revised standard until private companies adopt the new or revised standard. This may make it difficult or impossible to compare our financial statements with any other public company that is either not an emerging growth company, or that is an emerging growth company that has opted out of using the extended transition period, because of the potential differences in accounting standards used.

The selection of critical accounting policies, the judgments and other uncertainties affecting application of those policies and the sensitivity of reported results to changes in conditions and assumptions are factors that should be considered when reviewing our financial statements. We believe the following accounting policies involve the most significant judgments and estimates used in the preparation of our financial statements.

Investments

We invest in debt securities and accounts for the investments based on the nature of the products invested, and our intent and ability to hold the investments to maturity.

Our investments in debt securities include asset management plans and bank financial products which have a stated maturity and normally pay a prospective fixed rate of return and secondary market equity fund products, the underlying assets of which are portfolios of equity investments in listed enterprises. We classify the investments in debt securities as held-to-maturity when it has both the positive intent and ability to hold them until maturity. Held-to-maturity investments are recorded at amortized cost and are classified as long-term or short-term according to their contractual maturity. Long-term investments are reclassified as short-term when their contractual maturity date is less than one year. Investments that are bought and held principally for the purpose of selling them in the near term are classified as trading securities and are reported at fair value with changes in fair value recognized in earnings. Investments that do not meet the criteria of held-to-maturity or trading securities are classified as available-for-sale, and are reported at fair value with changes in fair value deferred in other comprehensive income.

We record investments in private equity funds, in which we act as a limited partner with insignificant equity interest, as long-term investments on the consolidated balance sheet under the cost method. Gains or losses are realized when such investments are sold. We review our investments except for those classified as trading securities for other-than-temporary impairment based on the specific identification method and considers available quantitative and qualitative evidence in evaluating potential impairment. If the cost of an investment exceeds the investment's fair value, we consider, among other factors, general market conditions, government economic plans, the duration and the extent to which the fair value of the investment is less than cost and our intent and ability to hold the investment to determine whether an other-than-temporary impairment has occurred.

We recognize other-than-temporary impairment in earnings if it has the intent to sell the investments or if it is more-likely-than-not that it will be required to sell the investments before recovery of its amortized cost basis. Additionally, we evaluate expected cash flows to be received and determines if credit-related losses on debt securities exist, which are considered to be other-than-temporary, should be recognized in earnings.

If the investment's fair value is less than the cost of an investment and we determine the impairment to be other-than-temporary, we recognize an impairment loss based on the fair value of the investment. We have not recorded an other-than-temporary impairment for each of the years ended June 30, 2017 and 2018.

Revenue recognition

We generate revenues mainly from wealth management, corporate finance, asset management and information technology and others. We recognize revenues when there is persuasive evidence of an arrangement, service has been rendered, the sales price is fixed or determinable and collectability is reasonably assured. Revenues are recorded, net of the related taxes and surcharges.

Wealth management

Revenue from wealth management mainly includes distribution commissions and performance-based fees, in a typical arrangement in which we serve as distributor.

Distribution commissions are primarily generated from (1) online distributions of financial products which include publicly raised fund products, exchange administered products and asset management plans, and (2) products distributed offline, (i.e. privately raised fund products). Performance-based fees are mainly attributable to the privately raised fund products distributed offline. Both types of revenue streams are paid by the corresponding financial product issuers.

Distribution commissions

We enter into distribution agreements with financial product issuers which specify the key terms and conditions of the arrangement. Such agreements do not include rights of return, credits or discounts, rebates, price protection or other similar privileges. Upon establishment of a financial product, we charge a distribution commission fee against the issuer by multiplying a pre-agreed annualized charge rate with the amount of products distributed through either online platform or offline sales network, prorated by the actual period length of the product.

We define the "establishment of a financial product" for its revenue recognition purpose as the time when both of the following two criteria are met: (1) the product purchaser (the "investor") has entered into a purchase or subscription contract with the relevant product issuer and the investor has transferred the subscription fund to an escrow account designated by the product issuer and (2) the product issuer has issued a formal notice to confirm the establishment of a financial product. Revenue is recorded upon the establishment of the financial products, when the provision of service concludes and the fee becomes fixed and determinable, assuming all other revenue recognition criteria have been met, and there are no future obligations or contingencies.

Performance-based fees

We earn performance-based fees mainly from the issuers of the privately raised fund products that it distributes, which is dependent on the extent by which the fund's investment performance exceeds a certain threshold at the end of the contract term. Such performance-based fee is typically recognized and distributed at the end of the contract term when the cumulative return of the fund can be determined, and is not subject to clawback provisions. We did not recognize any performance-based income for the year ended June 30, 2017. We recognized performance-based income of RMB13.6 million (US$2.0 million) for year ended June 30, 2018.

Corporate finance

We provide comprehensive financing solutions to corporate borrowers, including financing structure design, reference of sources and/or channels of funding, financing compliance and risk management services. Revenue is recognized when the financing fund is transferred to the corporate borrower and is calculated based on certain percentage of the amount financed.

Asset management

Revenue from asset management service mainly includes management fees and performance-based fees, in a typical arrangement in which we serve as fund manager.

Management fees

Revenue from asset management services, includes management fee and performance-based fees from the privately raised funds managed by us. Management fees are recognized in the period during which the related services are performed in accordance with the contractual terms of the fund agreements from the established date to the terminated date of the funds. Management fees earned from certain investment funds are based upon range up to 2% of capital committed. By unanimous consent among the fund manager, investors and the trustee, the fund could be terminated earlier than the contract period, and the remaining portion of unamortized management fee shall be returned to the investors.

Performance-based fees

We are entitled to a performance-based fee based on the extent by which the fund's investment performance exceeds a certain threshold at the end of the contract term. Such performance-based fee is typically calculated and distributed at the end of the contract term when the cumulative return of the fund can be determined, and is not subject to clawback provisions. We do not record any performance-based revenue until the end of the contract term. There is no carried interest revenue recorded by us for the years ended June 30, 2017 and 2018.

Information technology and others

Information technology and others mainly represents revenue from the technological support and system development services provided to third parties. The services contract pricing is based on the expected labor cost, project management services fee plus a certain percentage of gross profit. Revenue is recognized according to completion percentage and total contract amount upon the acceptance of the services confirmed by the customers.

Results of Operations

The following table sets forth a summary of our consolidated results of operations for the periods indicated. The information should be read in conjunction with our consolidated financial statements and related notes included elsewhere in this prospectus. The operating results in any period are not necessarily indicative of results that may be expected for any further period.

	For the year ended June 30,				
	2017		2018		2018
	RMB (in thousand)	%	RMB (in thousand) (combined)	%	US$ (in thousand)
Net revenues	**155,691**	**100.0**	**165,811**	**100.0**	**25,058**
Total operating costs and expenses	**(108,454)**	**(69.7)**	**(102,918)**	**(62.1)**	**(15,554)**
Income from operations	**47,237**	**30.3**	**62,893**	**37.9**	**9,504**
Other income, net:	298	0.2	8,985	5.4	1,358
Income from continuing operations before income taxes, share of income of affiliates and discontinued operations	**47,535**	**30.5**	**71,878**	**43.3**	**10,862**
Income tax expense	(7,641)	(4.9)	(8,261)	(5.0)	(1,248)
Net income from continuing operations	**39,894**	**25.6**	**63,617**	**38.3**	**9,614**
Net loss from discontinued operations, net of tax	(254)	0.2	-	-	-
Net income	**39,640**	**25.5**	**63,617**	**38.3**	**9,614**
less: net income (loss) attributable to non-controlling interests	1,827	1.2	(979)	0.6	(148)
Net income attributable to the Company's shareholders	**37,813**	**24.3**	**64,596**	**38.9**	**9,762**

Year Ended June 30, 2018 Compared to Year Ended June 30, 2017

Net Revenues

Our net revenues increased by RMB10.1 million, or 6.5%, from RMB155.7 million for the year ended June 30, 2017 to RMB165.8 million (US$25.1 million) for the year ended June 30, 2018.

Wealth management services

Revenue from wealth management services decreased by RMB4.5 million, or 3.1%, from RMB144.9 million for the year ended June 30, 2017 to RMB140.4 million (US$21.2 million) for the year ended June 30, 2018.

- *Products distributed online*. Our commissions from wealth management products distributed online decreased by RMB7.6 million, or 12.8%, from RMB59.2 million for the year ended June 30, 2017 to RMB51.6 million (US$7.8 million) for the year ended June 30, 2018, primarily due to a decrease in our commissions from exchange administered products. Such decrease, in turn, was primarily due to a significant decrease in the number of real estate development financing products and governmental financial products due to the changes in governmental regulatory environment. See “Business—Our Services—Wealth Management Services—Exchange administered products”.

- *Products distributed offline*. Our revenue from wealth management products distributed offline increased by RMB3.1 million, or 3.5%, from RMB85.7 million for the year ended June 30, 2017 to RMB88.8 million (US$13.4 million) for the year ended June 30, 2018, primarily due to a significant increase of 60.0% in total transaction value in such products from RMB2.4 billion for the year ended June 30, 2017 to RMB3.8 billion (US$573.7 million) for the year ended June 30, 2018. Such increase was due to a significant increase in the transaction value of net-commission based products as one of our major product providers that previously elected to distribute under the gross-commission model subsequently changed its distribution model to net-commission based. However, the increase in our revenue from privately raised funds we distributed was partially offset by changes in the proportion of net-commission based funds vis-a-vis gross-commission based funds. As we do not bear the commissions to seed clients of net commission-based funds, the commission rate range of net-commission based funds is typically lower than that of gross-commission based funds. As a result, any changes in the absolute transaction value of net-commission based funds have less impact on net revenue from net-commission based funds as opposed to gross-commission based funds. As the transaction value of net-commission-based funds, as a percentage of total transaction value of privately raised funds, increased significantly from 6.6% for the year ended June 30, 2017 to 74.6% for the year ended June 30, 2018, our revenue from privately raised funds increased at a lower rate than total transaction value of our privately raised funds.

Corporate finance services

Our revenue from corporate finance services increased significantly from RMB0.8 million for the year ended June 30, 2017 to RMB13.7 million (US$2.1 million) for the year ended June 30, 2018, primarily reflecting the ramping up in demand for such services, which we began offering in January 2017.

Asset management services

We commenced our asset management services by launching two FoFs under our management in April 2018. Accordingly, we recorded RMB0.1 million (US$16,000) for the year ended June 30, 2018 in revenue from such services.

Information technology services

Our revenue from information technology services increased by RMB1.6 million, or 18.3% from RMB10.0 million for the year ended June 30, 2017 to RMB11.6 million (US$1.8 million) for the year ended June 30, 2018. We began winding down our IT services business in the first half of 2018. See "—Key Components of Results of Operations—Net Revenues—Information Technology Services" and—Major Factors Affecting Our Results of Operations—business Mix."

Operating Costs and Expenses

Our total operating costs and expenses decreased by RMB5.5 million, or 5.1%, from RMB108.5 million for the year ended June 30, 2017 to RMB102.9 million (US$15.6 million) for the year ended June 30, 2018.

Our cost of sales decreased by RMB24.6 million, or 46.0%, from RMB53.4 million for the year ended June 30, 2017 to RMB28.8 million (US$4.4 million) as of June 30, 2018, primarily due to (i) a RMB18.5 million decrease in our commission cost from offline distributed wealth management products as an increasing proportion of our privately-raised fund products were on a net-commission basis as opposed to a gross-commission basis, where we did recognize the commissions to our clients as cost of sales; and (ii) a RMB5.9 million decrease in our online commission cost, which reflected a decrease in transaction value from exchange administered products. Our cost of sales as a percentage of net revenues decreased from 34.3% for the year ended June 30, 2017 to 17.4% for the year ended June 30, 2018. Our gross profit (calculated as the difference between net revenues and the cost of sales divided by the cost of sales) increased from 67.5% for the year ended June 30, 2017 to 82.6% for the year ended June 30, 2018. Such changes were primarily due to (i) a significant decrease in cost of sales of the operating costs and expenses for the year ended June 30, 2018; and (ii) an increase in net revenues from privately raised fund products for the year ended June 30, 2018, both of which were due to the significant increase in the number of privately raised funds distributed on a net commission basis as discussed above.

Our selling expenses increased by RMB10.5 million, or 30.0% from RMB35.0 million for the year ended June 30, 2017 to RMB45.5 million (US$6.9 million) for the year ended June 30, 2018, primarily due to an increase in hiring of new investment advisors as we expanded our branch network. Our selling expenses as a percentage of net revenues was 22.5% for the year ended June 30, 2017 and 27.4% for the year ended June 30, 2018.

Our general and administrative expenses increased by RMB8.5 million or 42.5%, from RMB20.1 million for the year ended June 30, 2017 to RMB28.6 million (US$4.3 million) as of June 30, 2018, primarily due to an increase in the number of our employees and a general increase in their compensation level. Our general and administrative expenses as a percentage of net revenues was 12.9% for the year ended June 30, 2017 and 17.3% for the year ended June 30, 2018.

Investment Income

Our investment income increased significantly from RMB1.7 million for the year ended June 30, 2017 to RMB5.1 million (US$0.8 million) for the year ended June 30, 2018, primarily due to (i) an increase of RMB2.1 million in our income from investment in exchange administered products and asset management products that we distribute, and (ii) an increase of RMB0.9 million in our income from our investment in the short-term wealth management products issued by banks.

Interest Income

Our interest income increased significantly from RMB51,000 for the year ended June 30, 2017 to RMB3.6 million (US$0.6 million) for the year ended June 30, 2018, primarily due to (i) an interest income of RMB1.4 million from the loan provided to a real estate developing company for the year ended June 30, 2018, and (ii) an interest income of RMB1.6 million from endorsement of commercial acceptance notes for the year ended June 30, 2018.

Interest Expenses

We incurred an interest expense of RMB2.3 million for the year ended June 30, 2017, which was primarily in relation to redemption in November 2016 of the convertible bond issued in November 2014 with a principle amount of RMB51.3 million.

Income Tax Expense

Income tax expense increased by RMB0.7 million, or 8.1% from RMB7.6 million for the year ended June 30, 2017 to RMB8.3 million (US$1.3 million) for the year ended June 30, 2018, primarily due to our business expansion. Our effective tax rate remained relatively stable at 16.1% in the year ended June 30, 2017 and 11.5% in the year ended June 30, 2018.

Net Income

As a result of the foregoing, our net income increased by RMB24.0 million, or 60.6% from RMB39.6 million for the year ended June 30, 2017 to RMB63.6 million (US$9.6 million) for the year ended June 30, 2018.

Discussion of Certain Balance Sheet Items

The following table sets forth selected information from our combined statement of financial position as of June 30, 2017 and 2018. This information should be read together with our combined financial statements and related notes included elsewhere in this prospectus.

	As of June 30,		
	2017	**2018**	**2018**
	RMB	**RMB**	**US$**
	(combined)	**(in thousand)**	
ASSETS:			
Current assets			
Cash and cash equivalents	55,196	103,228	15,600
Restricted cash	1,841	8,772	1,326
Accounts receivable, net	23,116	30,757	4,648
Short-term investments	14,243	5,010	757
Commercial acceptance notes	-	10,642	1,608
Other receivables	4,831	5,729	866
Short-term loans receivable	-	50,356	7,610
Amount due from related parties	85,900	80	12
Total current assets	**185,127**	**214,574**	**32,427**
Long-term investments	-	5,000	756
Property and equipment, net	1,021	890	135
Intangible assets, net	1,503	700	106
Long-term prepayments	-	461	70
Deferred tax assets	4,012	4,241	640
Total assets	**191,663**	**225,866**	**34,134**
LIABILITIES:			
Current liabilities			
Commission payable	13,133	3,677	556
Investors' deposit	1,841	8,772	1,326
Other payables and accrued expenses	7,752	6,129	926
Due to shareholder for acquisition of subsidiaries	-	2,116	320
Income taxes payable	1,687	2,820	426
Other tax liabilities	8,700	8,700	1,315
Total current liabilities	**33,113**	**32,214**	**4,869**
Total liabilities	**33,113**	**32,214**	**4,869**

Accounts Receivable, Net

Accounts receivable primarily relate to the amount that we earned from our wealth management services and asset management services. Our accounts receivable increased by RMB7.6 million, or 33.1% from RMB23.1 million as of June 30, 2017 to RMB30.8 million (US$4.6 million) as of June 30, 2018, primarily due to an increase in the commissions receivable from our products providers, which in turn reflected the payment schedule of our contracts with them.

Short-term Investments

Our short-term investments primarily consist of our investments in debt securities including (i) asset management plans, (ii) bank financial products, and (iii) secondary market equity fund products. Our short-term investments decreased by RMB9.2 million, or 64.8% from RMB14.2 million as of June 30, 2017 to RMB5.0 million (US$0.8 million) as of June 30, 2018, primarily due to a shift in our investment strategy to invest in commercial acceptance notes and private equity funds as a limited partner.

Commercial Acceptance Notes

On May 18, 2018, we purchased commercial acceptance notes with a principal amount of RMB11.4 million at an annual discount rate of 8.50%. As of June 30, 2018, the carried amount of such notes was RMB10.6 million (US$1.6 million), which represented the principal amount less the amount of discount that has been amortized as interest income as of that date.

Short-term Loans Receivable

As of June 30, 2018, our short-term loans receivable primarily consist of a loan of RMB50.0 million to a real estate development company for one year from June 5, 2018 to June 4, 2019, with an annual interest of 10%. In July 2018, such loan was fully repaid.

Commission Payable

Commission payable primarily consists of commissions due to our seed clients. Our commission payable decreased by RMB9.5 million, or 72.0%, from RMB13.1 million as of June 30, 2017 to RMB3.7 million (US$0.6 million) as of June 30, 2018, primarily due to a decrease in the commissions in relation to the offline distributed privately-raised fund products as an increasing proportion of such products were registered as net-commission based funds as opposed to gross-commission based funds for the year ended June 30, 2018.

Investors' Deposit

Investors' deposit primarily consists of the uninvested cash balances that are temporarily deposited in our bank account of the investors of publicly raised fund products. The investors' deposit increased significantly by RMB6.9 million from RMB1.8 million as of June 30, 2017 to RMB8.8 million (US$1.3 million) as of June 30, 2018, primarily due to a significant increase in the transaction value of the publicly raised fund products that we distributed.

Other Payables and Accrued Expenses

The following table sets forth the components of our other payables and accrued expenses as of the date indicated.

	As of June 30,		
	2017	**2018**	**2018**
	RMB	**RMB**	**US$**
	(combined)		
	(in thousand)		
Payroll payable	3,507	3,229	488
Promotion expense received from issuers in advance	1,473	-	-
Value-added tax	1,589	1,900	287
Individual income tax	482	479	72
Other miscellaneous taxes	75	143	22
Others	626	378	57
Other payables and accrued expenses	**7,752**	**6,129**	**926**

Our other payables and accrued expenses decreased by RMB1.6 million, or 20.9% from RMB7.8 million as of June 30, 2017 to RMB6.1 million (US$0.9 million) as of June 30, 2018, primarily due to a decrease in promotion expense received from issuers in advance from RMB1.5 million as of June 30, 2017 to nil as of June 30, 2018, as we discontinued the promotional activities in the year ended June 30, 2018 as demand for our products increased.

Liquidity and Capital Resources

To date, we have financed our operations primarily through cash generated from our operating activities. Our principal uses of cash for the years ended June 30, 2017 and 2018 were for operating activities, primarily including employee compensation and rental expenses. As of June 30, 2017 and 2018, we had cash and cash equivalents, and restricted cash of RMB57.0 million and RMB112.0 million (US$16.9 million), respectively. As of June 30, 2018, we had no bank borrowings.

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

Although we consolidate the results of our consolidated variable interest entity, we only have access to cash balances or future earnings of our consolidated variable interest entity through our contractual arrangements with our variable interest entity. See "Corporate History and Structure". For restrictions and limitations on liquidity and capital resources as a result of our corporate structure, see "— Holding Company Structure" below.

As a Cayman exempted and offshore holding company, we are permitted under PRC laws and regulations to provide funding to our wholly foreign-owned subsidiary in China only through loans or capital contributions, subject to the approval of government authorities and limits on the amount of capital contributions and loans. In addition, our wholly foreign-owned subsidiary in China may provide Renminbi funding to our consolidated VIE only through entrusted loans. See "Risk Factors—Risks Related to Doing Business in China—PRC regulation of loans to and direct investment in PRC entities by offshore holding companies and governmental control of currency conversion may delay or prevent us from using the proceeds of this offering to make loans or additional capital contributions to our PRC subsidiary, which could materially and adversely affect our liquidity and our ability to fund and expand our business."

The following table sets forth a summary of our cash flows for the period indicated.

	For the year ended June 30,		
	2017	2018	2018
	RMB	RMB	US$
		(in thousands)	
Net cash (used in) provided by operating activities:	(23,069)	44,916	6,788
Net cash provided by investing activities	21,074	10,047	1,518
Net cash used in financing activities	(26,194)	-	-
Net (decrease) increase in cash and cash equivalents, and restricted cash	(28,189)	54,963	8,306
Cash and cash equivalents and restricted cash at beginning of year	85,226	57,037	8,620
Cash and, cash equivalents and restricted cash at end of year	57,037	112,000	16,926

Operating Activities

Net cash generated from operating activities for the year ended June 30, 2018 was RMB44.9 million (US$6.8 million). This reflected the net income of RMB63.6 million (US$9.6 million), as adjusted for non-cash items primarily including (i) investment income of RMB5.1 million (US$0.8 million), (ii) interest income of RMB3.6 million (US$0.6 million), and (iii) amortization of intangible assets of RMB1.3 million (US$0.2 million). This amount was further adjusted by negative changes in working capital including: (i) a decrease in accounts payable of RMB9.5 million, primarily due to an decrease in the distribution commissions payables in relation to an decrease in the sales of exchange administered products and gross commission based funds, and (ii) an increase in accounts receivables of RMB7.6 million, reflecting our business expansion; partially offset by an increase in other payables and accrued expenses of RMB5.3 million, primarily due to an increased in accrued payroll, which in turn reflected our business expansion.

Net cash used in operating activities for the year ended June 30, 2017 was RMB23.1 million. This reflected the net income of RMB39.6 million, as adjusted for non-cash items primarily including (i) loss on disposal of Puyi Asset Management (Beijing) Co., Ltd. (□□□□□□ (□□) □□□□) and Shenzhen Puyi Panshi Asset Management Co., Ltd. (□□□□□□□□□□□□□□□) of RMB8.6 million, (ii) uncertainty tax provision of RMB2.0 million and amortization of intangible assets of RMB1.2 million; and (iii) investment income of RMB1.7 million. This amount was further adjusted by negative changes in working capital including (i) a decrease in other payables and accrued expenses of RMB201.3 million, irrelevant to borrowing from 3rd party; mostly related to disposal of subsidiary, and (ii) an increase in accounts receivables of RMB20.4 million, primarily due to an increase in receivables in relation to the distribution of privately raised fund products; partially offset by a decrease in other receivables of RMB139.5 million. The decrease in other payables and accrued expenses as well as in other receivables for that year was primarily due to the disposal of the two above-mentioned subsidiaries.

Investing Activities

Net cash provided by investing activities for the year ended June 30, 2018 was RMB10.0 million (US$1.5 million), primarily attributable to (i) proceeds from disposal of short term investments of RMB1,100.6million (US$166.3 million) in connection with our investments in asset management plans, and (ii) repayment of short-term loans made to related parties of RMB85.8 million; partially offset by purchase of short term investment of RMB1,094.9 million (US$165.5 million).

Net cash provided by investing activities for the year ended June 30, 2017 was RMB21.1 million primarily attributable to (i) proceeds from disposal of short term investments of RMB223.7 million in connection with our investments in asset management plans and bank financial products, and (ii) the disposal of Puyi Asset Management (Beijing) Co., Ltd. (□□□□□□ (□□) □□□□) and Shenzhen Puyi Panshi Asset Management Co., Ltd. (□□□□□□□□□□□□□□□) in the amount of RMB56.0 million; partially offset by (i) purchase of short term investment of RMB195.4 million, and (ii) short-term loans of RMB74.7 million provided to related parties.

Financing Activities

Net cash used in financing activities for the year ended June 30, 2017 was RMB26.2 million. It reflects the repayment of the convertible bond that we issued in November 2014 in the amount of RMB56.2 million, which was offset by capital injection of RMB30 million made to Puyi Asset Management.

We did not have any cash inflow or outflow due to financing activities for the year ended June 30, 2018.

Capital Expenditures

We made capital expenditures of RMB0.7 million and RMB6.4 million (US$1.0 million) for the years ended June 30, 2017 and 2018, respectively, which were primarily related to our long-term receivables, deferred income tax assets, and purchase of office equipment and software.

Contractual Obligations and Commitments

We have several non-cancelable operating leases, primarily for our office premises.

The following table sets forth our minimum future commitments under non-cancelable operating lease agreements as of June 30, 2018:

	Minimum Lease Payment	Minimum Lease Payment
	RMB	US$
	(in thousands)	
Year ending June 30:		
2019	4,343	656
2020	3,033	458
2021	2,182	330
2022	1,680	254
2023	1,489	225
After 2023	789	120
Total	13,516	2,043

Holding Company Structure

Puyi, Inc. is a holding company with no material operations of its own. We conduct our operations primarily through our wholly owned subsidiary, our consolidated VIE and its subsidiaries in China. As a result, our ability to pay dividends depends upon dividends paid by our wholly owned subsidiary. If our wholly owned subsidiary or any newly formed subsidiaries incur debt on their own behalf in the future, the instruments governing their debt may restrict their ability to pay dividends to us. In addition, our wholly owned subsidiary in China is permitted to pay dividends to us only out of its retained earnings, if any, as determined in accordance with PRC accounting standards and regulations. Under PRC law, each of our wholly owned subsidiary and our consolidated VIE in China is required to set aside at least 10% of its after-tax profits each year, if any, to fund a statutory reserve until such reserve funds reach 50% of its registered capital. In addition, our wholly foreign-owned subsidiary in China may allocate a portion of its after-tax profits based on PRC accounting standards to enterprise expansion funds and staff bonus and welfare funds at its discretion, and our VIE may allocate a portion of its after-tax profits based on PRC accounting standards to a discretionary surplus fund at its discretion. Although the statutory reserves can be used, among other ways, to increase the registered capital and eliminate future losses in excess of retained earnings of the respective companies, the reserve funds are not distributable as cash dividends. Remittance of dividends by a wholly foreign-owned company out of China is subject to examination by the banks designated by the SAFE. We currently plan to reinvest all earnings from our wholly owned subsidiary in China to its business development and do not plan to request dividend distributions from such subsidiary.

Off-Balance Sheet Arrangements

We have not entered into any financial guarantees or other commitments to guarantee the payment obligations of any third parties. In addition, we have not entered into any derivative contracts that are indexed to our own shares and classified as equity, or that are not reflected in our consolidated financial statements. Furthermore, we do not have any retained or contingent interest in assets transferred to an unconsolidated entity that serves as credit, liquidity or market risk support to such entity. Moreover, we do not have any variable interest in any unconsolidated entity that provides financing, liquidity, market risk or credit support to us or engages in leasing, hedging or research and development services with us.

Quantitative and Qualitative Disclosures about Market Risk

Risks in relation to the VIE structure

We believe that the contractual arrangements with our VIE and the respective shareholders are in compliance with PRC laws and regulations and are legally enforceable. However, uncertainties in the PRC legal system could limit our ability to enforce the contractual arrangements. If the legal structure and contractual arrangements were found to be in violation of PRC laws and regulations, the PRC government could:

- revoke the business and operating licenses of our PRC subsidiary and VIE;
- discontinue or restrict the operations of any related-party transactions between our PRC subsidiary and VIE;
- limit our business expansion in China by way of entering into contractual arrangements;

- impose fines or other requirements with which our PRC subsidiary and VIE may not be able to comply;
- require us or our PRC subsidiary and VIE to restructure the relevant ownership structure or operations; or
- restrict or prohibit our use of the proceeds of the additional public offering to finance our business and operations in China.

Our ability to conduct its asset management business may be negatively affected if the PRC government were to carry out of any of the aforementioned actions. As a result, we may not be able to consolidate our VIE in our consolidated financial statements as we may lose the ability to exert effective control over the VIE and their respective shareholders and we may lose the ability to receive economic benefits from the VIE. We, however, do not believe such actions would result in the liquidation or dissolution of our Company, our PRC subsidiary and VIE.

The interests of the shareholders of VIE may diverge from that of our Company and that may potentially increase the risk that they would seek to act contrary to the contractual terms, for example by influencing VIE not to pay the service fees when required to do so. We cannot assure that when conflicts of interest arise, shareholders of VIE will act in the best interests of us or that conflicts of interests will be resolved in our favor. Currently, we do not have existing arrangements to address potential conflicts of interest the shareholders of VIE may encounter in its capacity as beneficial owners and directors of VIE, on the one hand, and as beneficial owners and directors of our Company, on the other hand. We believe the shareholders of VIE will not act contrary to any of the contractual arrangements and the exclusive option agreements provide us with a mechanism to remove the current shareholders of VIE should they act to the detriment of our Company. We rely on certain current shareholders of VIE to fulfill their fiduciary duties and abide by laws of the PRC and act in the best interest of our Company. If we cannot resolve any conflicts of interest or disputes between us and the shareholders of VIE, we would have to rely on legal proceedings, which could result in disruption of its business, and there is substantial uncertainty as to the outcome of any such legal proceedings.

Total assets and liabilities presented on our consolidated balance sheets and sales, expense, net income presented on Consolidated Statement of Income as well as the cash flow from operating, investing and financing activities presented on the Consolidated Statement of Cash Flows are substantially the financial position, operation and cash flow of our VIE Puyi Bohui, and its subsidiaries. The following financial statements amounts and balances of the VIE were included in the accompanying consolidated financial statements as of June 30, 2017 and 2018 and for the years ended June 30, 2017 and 2018.

	As of June 30,		
	2017	**2018**	**2018**
	RMB	**RMB (in thousands)**	**US$**
Total assets	191,663	225,866	34,134
Total liabilities	33,113	32,214	4,869

	For the year ended June 30,		
	2017	2018	2018
	RMB	RMB	US$
Net revenues	155,691	165,811	25,058
Net income	39,640	63,617	9,614

Concentration risks

Details of the customers accounting for 10% or more of total net revenues are as follows:

	For the year ended June 30,				
	2017	% of net revenues	2018	2018	% of net revenues
	RMB (in thousands)		RMB (in thousands)	US$ (in thousands)	
Company A	42,618	27.4%	*	*	*
Company B	40,125	25.8%	*	*	*
Company C	32,844	21.1%	47,856	7,232	28.9%
Company D	*	*	44,452	6,718	26.8%
Company E	*	*	27,855	4,210	16.8%
	115,587	74.3%	120,163	18,160	72.5%

* represented less than 10% of total net revenues for the fiscal year.

Details of the customers which accounted for 10% or more of accounts receivable are as follows:

	As of June 30,				
	2017	%	2018	2018	%
	RMB (in thousands)		RMB (in thousands)	US$ (in thousands)	
Company C	4,292	18.6%	27,633	4,176	89.8%
Company E	8,273	35.8%	*	*	*
Company A	5,881	25.4%	*	*	*
	18,446	79.8%	27,633	4,176	89.8%

* represented less than 10% of account receivables as of the year end.

Our Group performs ongoing credit evaluations of its customers and generally does not require collateral on accounts receivable.

Our Group places its cash and cash equivalents with financial institutions with high-credit ratings and quality.

Internal Control over Financial Reporting

Prior to this offering, we have been a private company with limited accounting personnel and other resources to address our internal control over financial reporting. In connection with the preparation and external audit of our consolidated financial statements, we and our independent registered public accounting firm identified one material weakness in our internal control over financial reporting as of and for the years ended June 30, 2017 and 2018. The material weakness identified was the lack of dedicated resources to take responsibility for the finance and accounting functions and the preparation of financial statements in compliance with U.S. GAAP. Neither we nor our independent registered public accounting firm undertook a comprehensive assessment of our internal control under the Sarbanes-Oxley Act for purposes of identifying and reporting any weakness or significant deficiency in our internal control over financial reporting, as we will be required to do once we become a public company and our independent registered public accounting firm may be required to do once we cease to be an emerging growth company. Had we performed a formal assessment of our internal control over financial reporting or had our independent registered public accounting firm performed an audit of our internal control over financial reporting, additional material weaknesses may have been identified.

Following the identification of the material weakness, we have taken certain steps and plan to continue to take measures to strengthen our internal control over financial reporting. We have sent our finance personnel to attend external U.S. GAAP training courses organized by professional financial advisory firms, and are in the process of hiring additional qualified finance and accounting staff with working experience in U.S. GAAP and SEC reporting requirements. Furthermore, we plan to implement the following measures: (i) establish a separate department which will be responsible for the reporting process; (ii) further streamline our reporting process to support our business development as necessary; and (iii) engage professional financial advisory firms if necessary to provide ongoing training to our finance and accounting personnel as well as to strengthen our financial reporting expertise and system. We expect that we will incur significant costs in the implementation of such measures. However, the implementation of these measures may not fully address the material weakness identified in our internal control over financial reporting. See “Risk Factors—Risks Related to Our Business and Industry—If we fail to implement and maintain an effective system of internal control, we may be unable to accurately or timely report our results of operations or prevent fraud, and investor confidence and the market price of the ADSs may be materially and adversely affected.”

As a company with less than US$1.07 billion in revenue for our last fiscal year, we qualify as an “emerging growth company” pursuant to the JOBS Act. An emerging growth company may take advantage of specified reduced reporting and other requirements that are otherwise applicable generally to public companies. These provisions include exemption from the auditor attestation requirement under Section 404 of the Sarbanes-Oxley Act of 2002 in the assessment of the emerging growth company’s internal control over financial reporting.

Recently Issued Accounting Standards Not Yet Adopted

In May 2014, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) No. 2014-09, Revenue from Contracts with Customers, which was subsequently modified in August 2015 by ASU No. 2015-14, Revenue from Contracts with Customers: Deferral of the Effective Date. The core principle of ASU No. 2014-09 is that companies should recognize revenue when the transfer of promised goods or services to customers occurs in an amount that reflects what the company expects to receive. It requires additional disclosures to describe the nature, amount, timing and uncertainty of revenue and cash flows from contracts with customers. In 2016, the FASB issued additional ASUs that clarify the implementation guidance on principal versus agent considerations (ASU 2016-08), on identifying performance obligations and licensing (ASU 2016-10), and on narrow-scope improvements and practical expedients (ASU 2016-12) as well as on the revenue recognition criteria and other technical corrections (ASU 2016-20). These new standards will identify performance obligations and narrow aspects on achieving core principle. We are currently evaluating the impact the adoption of this guidance may have on its financial statements, including with respect to the timing of the recognition of carried interest. We are an “emerging growth company,” as defined in the Jumpstart Our Business Startups Act of 2012 (the “JOBS Act”). Under the JOBS Act, emerging growth companies (“EGCs”) can delay adopting new or revised accounting standards issued subsequent to the enactment of the JOBS Act until such time as those standards apply to private companies. Therefore, we will not be subject to the same new or revised accounting standards as public companies that are not EGCs. The management has not yet selected a transition method. We anticipate adopting this new guidance on July 1, 2019, and plans on giving additional updates on its progress and further conclusions.

In January 2016, the FASB issued ASU No. 2016-01, *Financial Instruments - Recognition and Measurement of Financial Assets and Financial Liabilities*. The amendments in this update address certain aspects of recognition, measurement, presentation, and disclosure of financial instruments. The amendments in this update require public business entities that are required to disclose fair value of financial instruments measured at amortized cost on the balance sheet to measure that fair value using the exit price notion consistent with Topic 820, Fair Value Measurement. The amendments in this update require an entity to present separately in other comprehensive income the portion of the total change in the fair value of a liability resulting from a change in the instrument-specific credit risk when the entity has elected to measure the liability at fair value in accordance with the fair value option. The amendments in this Update require separate presentation of financial assets and financial liabilities by measurement category and form of financial asset (that is, securities or loans and receivables) on the balance sheet or in the accompanying notes to the financial statements. In addition, according to ASU No. 2016-01, all equity investments in unconsolidated entities (other than those accounted for using the equity method of accounting) will generally be measured at fair value through earnings. For equity investments without readily determinable fair values, the cost method is also eliminated. However, entities will be able to elect to record equity investments without readily determinable fair values at cost, less impairment, adjusted for subsequent observable price changes. Entities that elect this measurement alternative will report changes in the carrying value of the equity investments in current earnings. This election only applies to equity investments that do not qualify for the net asset value practical expedient. The impairment model for equity investments subject to this election is a single-step model. Under the single-step model, an entity is required to perform a qualitative assessment each reporting period to identify impairment. When a qualitative assessment indicates an impairment exists, the entity would estimate the fair value of the investment and recognize in current earnings an impairment loss equal to the difference between the fair value and the carrying amount of the equity investment. The measurement alternative may be elected separately on an investment by investment basis for each equity investment without a readily determinable fair value. Once elected, it should be applied consistently as long as the investment meets the qualifying criteria.

The amendments in this update are effective for fiscal years beginning after December 15, 2017, including interim periods within those fiscal years. For non-public business entities, early adoption is not permitted. We are currently evaluating the impact of adopting ASU No. 2016-01 on its consolidated financial statements.

In August 2016, the FASB issued ASU 2016-15, Statement of Cash Flows (Topic 230). The update is intended to improve financial reporting in regard to how certain transactions are classified in the statement of cash flows. This update requires that debt extinguishment costs be classified as cash outflows for financing activities and provides additional classification guidance for the statement of cash flows. The update also requires that the classification of cash receipts and payments that have aspects of more than one class of cash flows to be determined by applying specific guidance under generally accepted accounting principles. The update also requires that each separately identifiable source or use within the cash receipts and payments be classified on the basis of their nature in financing, investing or operating activities. The update is effective for public companies for fiscal years beginning after December 15, 2017, including interim periods within those fiscal years. We are still in the process of analyzing the impact of adoption of this guidance on the consolidated financial statement.

In February 2017, the FASB issued ASU No. 2017-02, Leases (Topic 842), which requires lessees to recognize most leases on the balance sheet. This ASU requires lessees to recognize a right-of-use asset and lease liability for all leases with terms of more than 12 months. Lessees are permitted to make an accounting policy election to not recognize the asset and liability for leases with a term of twelve months or less. The ASU does not significantly change the lessees' recognition, measurement and presentation of expenses and cash flows from the previous accounting standard. Lessors' accounting under the ASC is largely unchanged from the previous accounting standard. In addition, the ASU expands the disclosure requirements of lease arrangements. Lessees and lessors will use a modified retrospective transition approach, which includes a number of practical expedients. The provisions of this guidance are effective for annual periods beginning after December 15, 2018, and interim periods within those years, with early adoption permitted. We are in the process of evaluating the impact of adoption of this guidance on our consolidated financial statements.

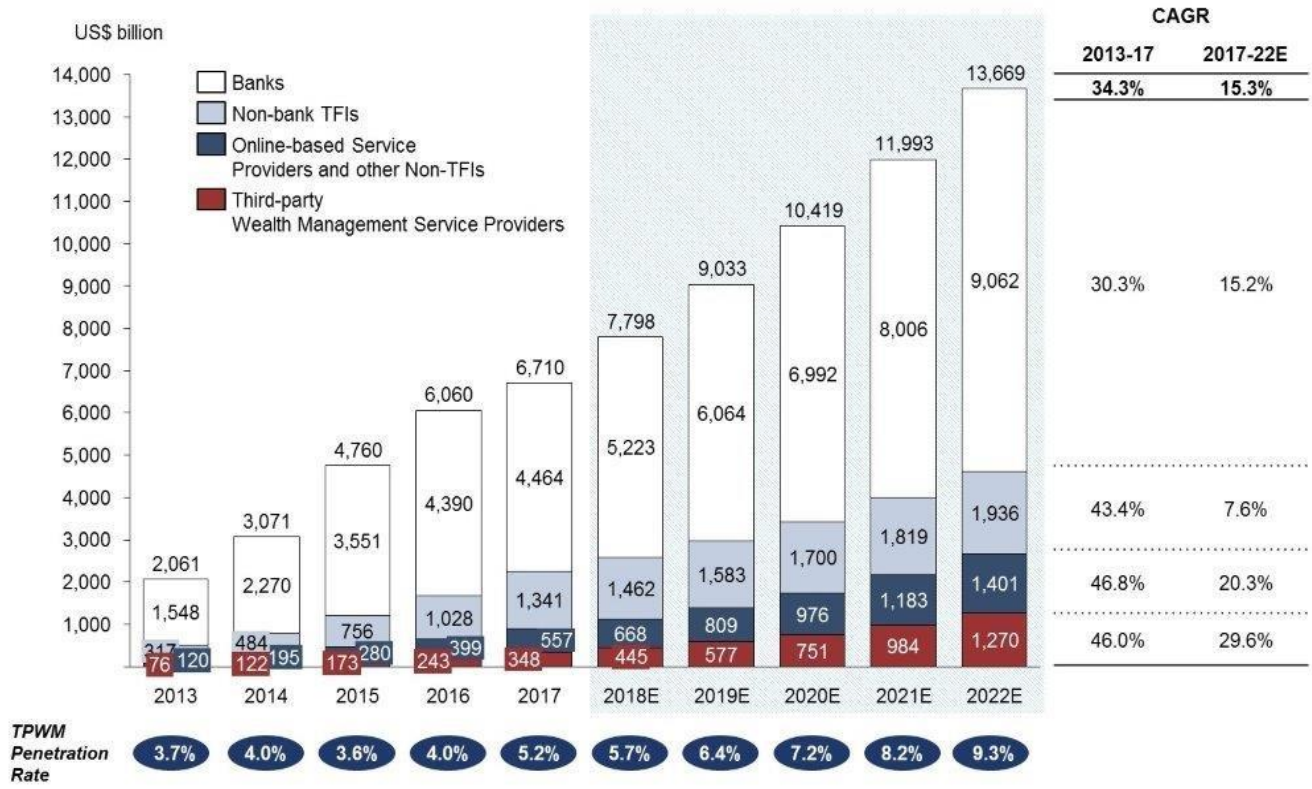
In June 2017, the FASB issued ASU 2017-13, Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments, which is intended to improve financial reporting by requiring timelier recording of credit losses on loans and other financial instruments held by financial institutions and other organizations. The ASU requires the measurement of all expected credit losses for financial assets held at the reporting date based on historical experience, current conditions, and reasonable and supportable forecasts. Financial institutions and other organizations will now use forward-looking information to better inform their credit loss estimates. Many of the loss estimation techniques applied today will still be permitted, although the inputs to those techniques will change to reflect the full amount of expected credit losses. Organizations will continue to use judgment to determine which loss estimation method is appropriate for their circumstances. The ASU requires enhanced disclosures to help investors and other financial statement users better understand significant estimates and judgments used in estimating credit losses, as well as the credit quality and underwriting standards of an organization's portfolio. These disclosures include qualitative and quantitative requirements that provide additional information about the amounts recorded in the financial statements. In addition, the ASU amends the accounting for credit losses on available-for-sale debt securities and purchased financial assets with credit deterioration. The ASU is effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2019. We are in the process of evaluating the impact of adoption of this guidance on our consolidated financial statements.

Other accounting pronouncements that have been issued or proposed by the FASB or other standards-setting bodies that do not require adoption until a future date are not expected to have a material impact on our consolidated financial statements upon adoption.

China's Wealth Management Services Market

According to CIC, wealth management services in China refer to a combination of distribution of wealth management products and provision of more personalized financial planning services to population with investable assets. The total population with investable assets increased from approximately 994.9 million in 2013 to approximately 1,030.0 million in 2017, and is expected to further increase to 1,085.0 million by 2022. The total private wealth held by such population in terms of investable assets increased from approximately RMB91.0 trillion (US$13.8 trillion) in 2013 to approximately RMB188.4 trillion (US$28.5 trillion) in 2017, and is expected to further increase to RMB321.8 trillion (US$48.6 trillion) in 2022. Despite the vast private wealth, as measured by AUM, the current penetration rate of wealth management services in such population segments in China is only less than 25%, which is significantly lower than 50% in the United States.

The wealth management services market in China is at an early stage of development and is currently highly fragmented. Major types of service providers include (i) commercial banks; (ii) non-bank traditional financial institutions, or non-bank TFI, such as securities firms, fund managers and insurance companies with internal sales capabilities; (iii) online-based service providers; and (iv) third-party wealth management service providers that are not associated with financial institutions. The following graph shows the historical and forecast wealth management service market size in China by service provider type:



Note: TPWM (Third-party wealth management firms) refer to companies that are engaged to manage the asset to achieve the value maintenance and appreciation of the affluent clients through providing at least three regulated and legitimate financial products such as fixed income products, publicly raised fund and privately raised fund, etc.

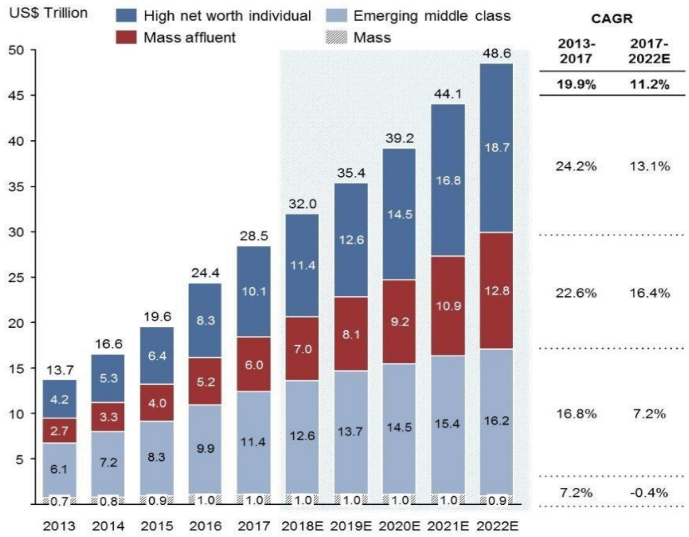
Source: China Insights Consultancy

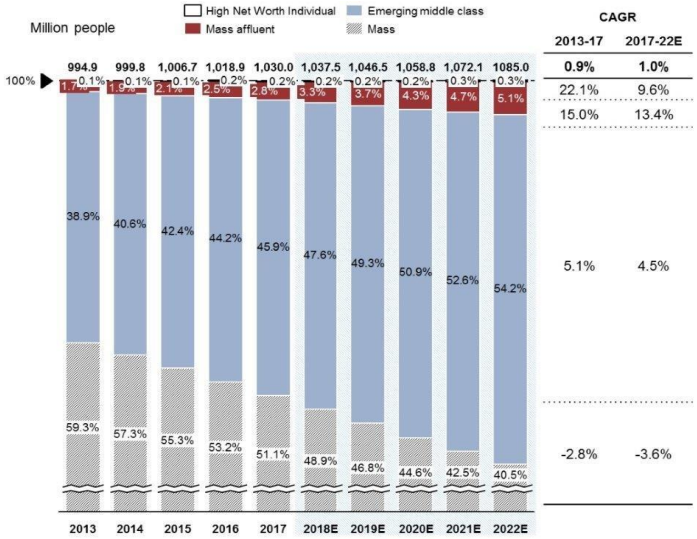
Mass Affluent and Emerging Middle Class Population in China

Size of Population and Investable Assets

China's population can be categorized into four segments in terms of amount of investable assets: (i) the high net worth individual population (i.e. those with investable assets above RMB6 million (US$1 million), or HNWI; (ii) the mass affluent population (i.e. those with investable assets of between RMB600,000 (US$100,000) to RMB6 million (US$1 million), or MA; (iii) the emerging middle class population (i.e. those with investable assets of between RMB30,000 (US$5,000) to RMB600,000 (US$100,000), or EMC; and (iv) the mass population (i.e. those with investable assets of less than RMB30,000 (US$5,000). "Investable assets" is defined to include cash, deposits, stocks, funds, bonds, insurance and other financial products as well as investment property excluding their primary residence.

Driven by China's economic growth and accelerated urbanization rates, the aggregate population of China's mass affluent and emerging middle class segments has grown rapidly, increasing from 403.7 million in 2013 to 502.0 million in 2017 and is expected to further increase to 642.9 million in 2022, while the percentage of the total population with investable assets increased from 40.6% in 2013 to 48.7% in 2017, and is expected to reach 59.3% in 2022. The amount of investable assets held by such population segments increased from RMB58.2 trillion (US$8.8 trillion) in 2013 to RMB115.3 trillion (US$17.4 trillion) in 2017, and is expected to further increase to RMB192.1 trillion (US$29.0 trillion) in 2022. The following graphs show the historical and forecast growth of personal investable assets and population by segment for the period indicated.

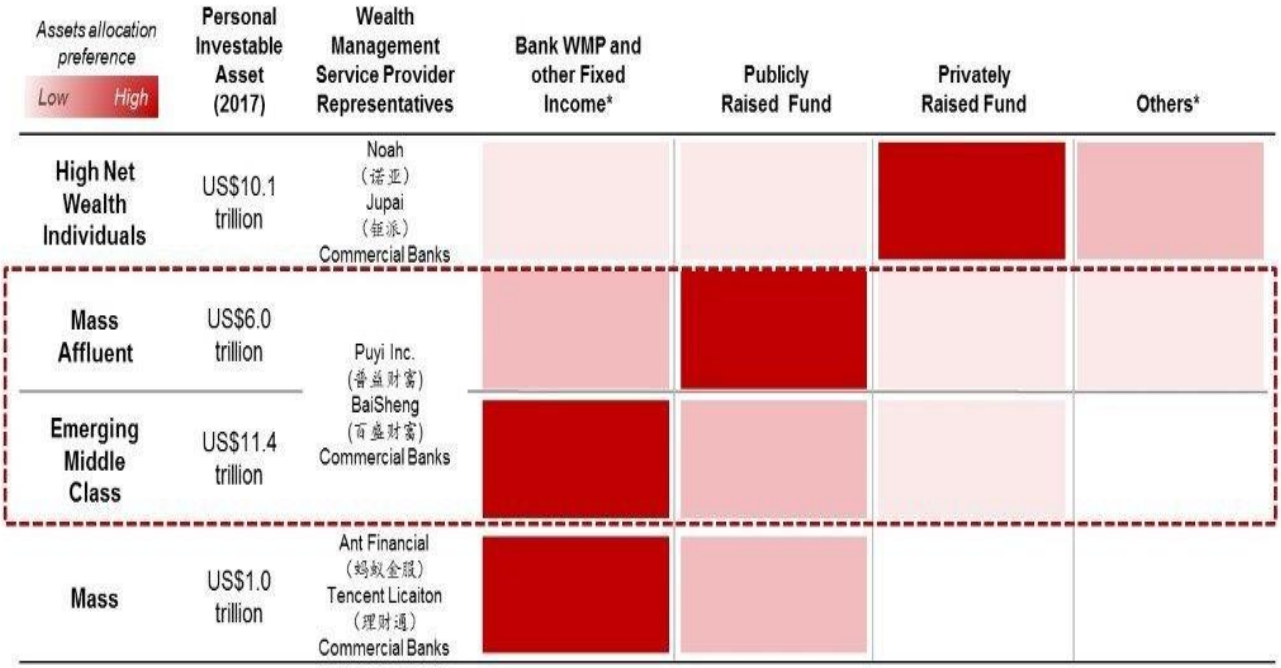




Source: China Insights Consultancy

Investment Preference

According to CIC, the mass affluent and emerging middle class population segments are generally more risk adverse than the high net worth population but is able to tolerate a manageable level of risk, and many in these segments of the population do not have significant investment experience and lack of the knowledge to identify and select suitable products on their own. Historically, these segments primarily allocated their investable assets to cash and deposits as well as investment properties, which collectively accounted for approximately 67% of their total investments in 2013. In light of the relatively low interest rates and tightened regulatory restrictions on property investments in China, the mass affluent and emerging middle class population segments have become increasingly receptive to diversified and balanced asset allocation with increasing investments in wealth management products. The following graph shows the assets allocation of mass affluent and emerging middle class population by product type of wealth management products in 2017.



Note 1: Fixed income products include Bank Wealth Management Product (WMP), Fixed Income Trusts, ABS and Income Certificates, etc.
Note 2: Others products include Securities Firm Asset Management Plan(AMP), Exchange Management Products, Overseas Products, Exchange Management Products and Structured Products, etc.
Note 3: NPL funds are a type of privately raised funds.

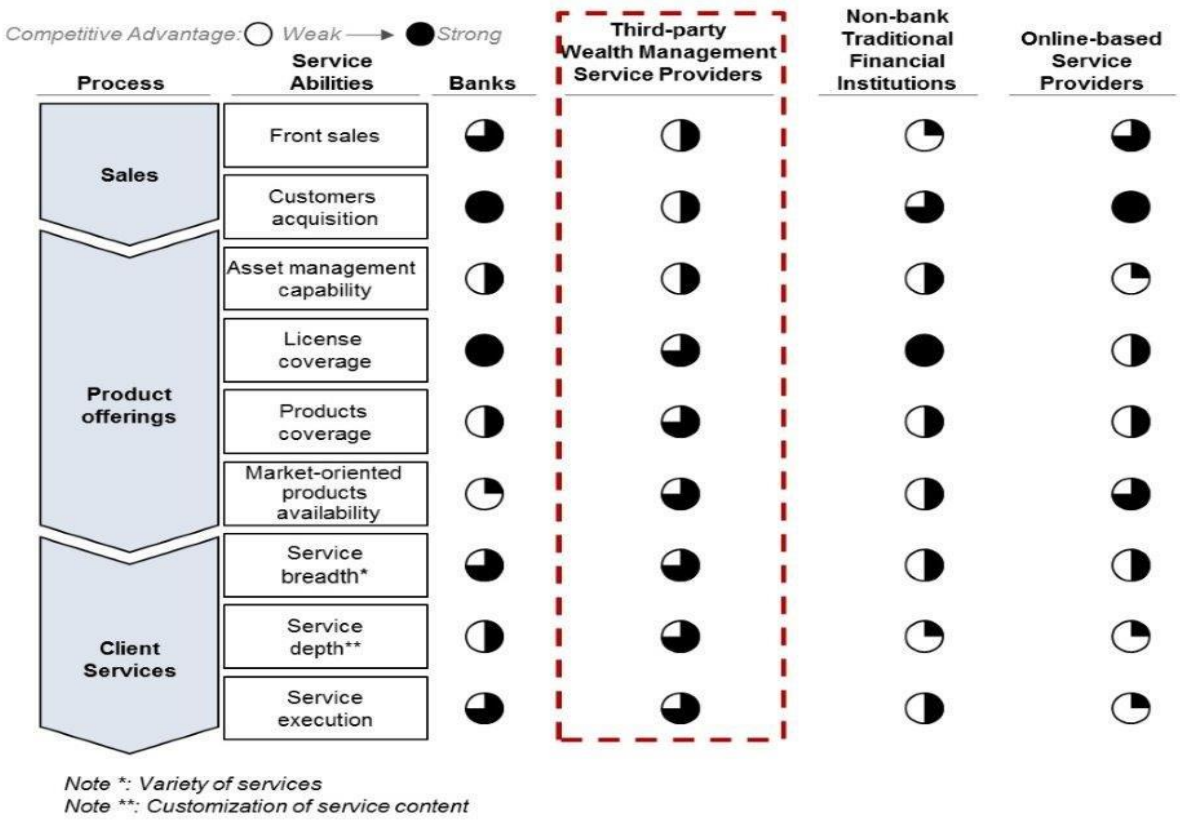
Source: China Insights Consultancy

Among the various types of wealth management products, currently the mass affluent and emerging middle class population segments in China prefer fixed income products and publicly raised fund products. According to CIC, more than 60% and more than 30% of the emerging middle class population purchased fixed income products and publicly raised fund products in 2017, and more than 25% of their purchased fixed income products were distributed by banks with implicit guaranteed returns. In addition, more than 75% and more than 70% of the mass affluent population purchased publicly raised fund products and fixed income products, respectively, of which more than 15% and more than 80% were distributed by banks. However, due to the release of the 2018 Guidelines, wealth management products bank issued and distributed especially fixed income products with guaranteed returns have gradually declined. With the increasing supply of more diversified and market-based products, it is expected that the purchases in such products, such as privately raised funds, would increase.

Wealth Management Services Market for China's Mass Affluent and Emerging Middle Class

According to CIC, the market size of China's wealth management services for mass affluent and emerging middle class population segments in terms of transaction value increased from RMB7.8 trillion (US$1.2 trillion) in 2013 to RMB25.2 trillion (US$3.8 trillion) in 2017, with a CAGR of 34.2%, and is expected to further increase to approximately RMB47.3 trillion (US$7.1 trillion) by 2022, or a CAGR of 13.4% from 2017 to 2022. All the major types of wealth management services providers have client coverage within such population segments.

In terms of sales capabilities, products offerings and services capabilities serving the mass affluent and emerging middle class population segments, the differences among these service providers are illustrated below:



Source: China Insights Consultancy

The following is a brief analysis of the advantages and disadvantages of each type of wealth management service providers:

- *Commercial banks*. Generally, commercial banks in China have advantages in terms of branch network and full license coverage for distribution. However, the banks are inherently conflicted because their main business is interest-based lending rather than a commission-based business such as wealth management service; therefore they typically do not offer personalized services and lack the independence in providing investment advice.

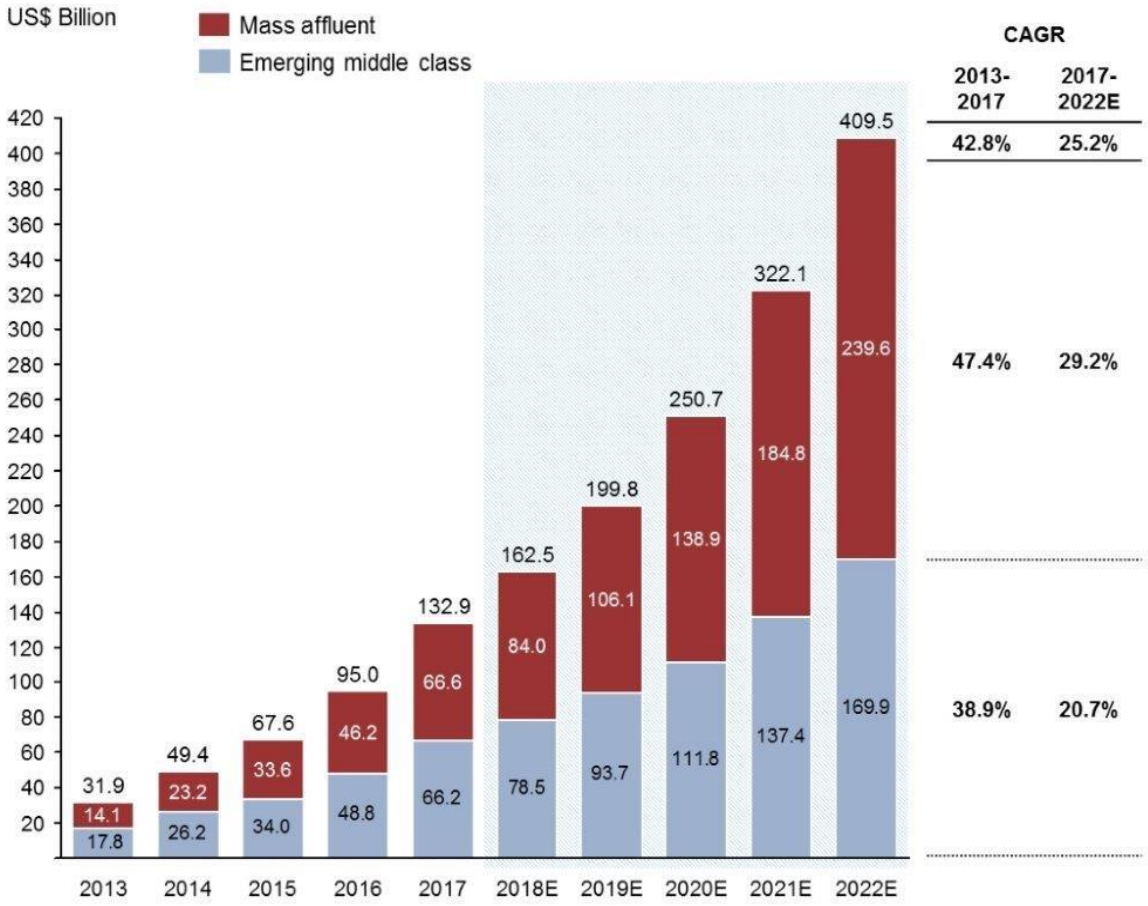
- *Online-based service providers*. Online-based service providers can attract a large client base through their online platforms. However, because they mainly provide automated recommendation and trading services, online-based service providers generally do not offer extensive personalized services that many investors need.

- *Non-bank traditional financial institutions*. Non-bank traditional financial institutions such as brokerages, trust companies and insurance companies have advantages on specific product types, particularly product types that they themselves have developed and manage (e.g. trust plans for trust companies). However, they are disadvantaged in terms of product choices, branch network and comprehensive client services, and more and more cooperate with banks and third-party wealth management service providers to distribute their products.

Compared with these three types of service providers, third-party wealth management institutions generally have advantages in terms of service capabilities in addition to comprehensive product offering. As a result, third-party wealth management services providers are expected to experience significant growth in China's wealth management services market for mass affluent and emerging middle class population segments in the future.

Third-Party Wealth Management Services Market for Mass Affluent and Emerging Middle Class in China

According to CIC, the third-party wealth management services market for the mass affluent and emerging middle class population segments in China is currently at an early stage of development. China's market for such services reached RMB879.4 billion (US$132.9 billion) in 2017 in terms of transaction value, and as measured by population, these segments covering less than 10% of the total third-party wealth management services market. The mass affluent and emerging middle class population experienced a CAGR of 42.8% from 2013 to 2017 in terms of transaction value, and is expected to reach RMB2,709.6 billion (US$409.5 billion) in 2022, representing a CAGR of 25.2% from 2017 to 2022, according to the same source. The following graph shows the historical and forecast market size of the third-party wealth management services market for the mass affluent and emerging middle class population segments in China:



Source: China Insights Consultancy

Market Trends and Drivers

According to CIC, key market trends and drivers in third-party wealth management services market for mass affluent and emerging middle class population segments include the following:

- *Strengthening supervision of commercial banks*. The continuous strengthening supervision of the banking industry in China is conducive to the development of third-party wealth management market. In April 2018, China's banking and securities regulators jointly released the *Guidelines on Standardizing Asset Management Businesses of Financial Institutions*, or the 2018 Guidelines, which aimed at reining in the banks' supply of off-balance sheet wealth management products and at breaking traditional implicit guarantees of repayment on wealth management products. Such regulation is expected to drive the development of a truly market-based wealth management products and services market.

- *Increasing supply of diversified and market-oriented products.* Since the release of the 2018 Guidelines, the number of new products issued by banks declined by 17.0%, and the number of new products offering guaranteed returns declined by 5.3% from March 2018 to June 2018. CIC expects that the shortage of bank-distributed wealth management products will be filled by more diversified and market-oriented products. Because China's large mass affluent and emerging middle class population historically has primarily purchased products with guaranteed returns distributed by banks, and because a large segment of such population lacks the knowledge and experience to select alternative investment products, the need for third-party wealth management services is expected to be substantial.

- *Changes in assets allocation and investment preference.* The ratio of household savings deposit growth to disposable income decreased from 25.4% in 2012 to 12.7% in 2017, indicating that Chinese people are less willing to keep disposable income as savings. The total scale of investable assets held by individuals in China amounted to RMB188.1 trillion (US$28.4 trillion) in 2017, twice the amount held in 2013. Considering the implications of recent regulations such as the 2018 Guidelines, investors are expected to increasingly invest in market-oriented products, leading to increasing need for professional services.

- *Increasing complexity of the market.* China's financial market is offering a more diverse range of investment products and the market is becoming increasingly complex. It is increasingly difficult for individuals to accurately capture market dynamics and gain insights into market investment opportunities. At the same time, it is difficult for individual investors to have sufficient financial knowledge to conduct detailed investigations to determine higher-yielding products. As a result, it is expected that China's individual investors will increasingly rely on professional advisors for investment advice.

Entry Barriers and Success Factors

According to the CIC Report, entry barriers and success factors to the success of third-party wealth management service providers for mass affluent and emerging middle class population in China include:

- *Fund distribution license.* China's wealth management industry is under highly rigorous government supervision. Non-financial institutions that do not hold fund distribution licenses will not be able to conduct fund-based sales. From 2012, the regulatory authorities gradually opened up the application of fund distribution licenses to third parties. Before that, except of the direct sales of fund companies, domestic fund-based sales qualifications were mainly hold by financial institutions such as banks and a part of brokers. While after September 2016, the issuance of domestic third-party fund distribution licenses has almost stagnated. From September 2016 to June 2018, only three non-financial institutions obtained new fund distribution licenses. Therefore, it can be considered that in the future, wealth management companies holding fund distribution licenses will gradually become the engine of wealth management market growth.

- *High quality and comprehensive product portfolio offerings.* Third-party wealth management service providers with high quality products and comprehensive service offerings are able to address various types of clients' investment needs and build continuing relationships with clients. Currently, the industry is still in the initial stage of product sales, with limited high quality product types and serious homogenized competition. It is becoming increasingly important for wealth management service providers not to provide a simple open platform or fund supermarket, but to fully combine its resource endowments in the investment banking and trading markets to design differentiated products and meet the investment and financing needs of clients. Furthermore, with limited high-quality financial products on the market, having the ability to acquire such products is expected to be critical to success.

- *Sales network coverage across China.* China's mass affluent and emerging middle class people are widely distributed in various provinces and cities across the country, which requires wealth management services providers to engage a nationwide sales network for establishing and expanding the client base. As individuals in these two population segments generally prefer face-to-face interaction, branch network, wealth management service providers need to have outlets across the country. In addition, to further tab the vast market, online-based channels become a promising choice. Building a comprehensive sales network with both offline branches and online channels requires substantial investments in time and capital, which represents a significant entry barrier to new market entrants.

- *Ability to provide personalized services.* The ability to identify and validate certificated clients is difficult to all of the third-party wealth management institutions, especially for the mass affluent and emerging middle class population, in addition to the general demand for capital preservation, clients also need personalized financial services, including customized wealth management products, financing needs, and cross-market transactions. These services can bring in much greater and more diverse revenue than traditional management fees. Therefore, securing the promising clients is the best way to secure success.

Competitive Landscape

According to CIC, in 2017, Puyi ranked 21st among all the third-party wealth management service providers with a fund distribution license, with total transaction value of RMB6.2 billion (US$0.9 billion). Companies that ranked 21st to 50th form a market segment that specifically targets the mass affluent and emerging middle class population segments with market size of approximately RMB600.0 billion(US$90.7 billion), and Puyi was the largest third-party wealth management service provider in this market segment, with a market share of approximately 10.4%. At the same time, Puyi is also extending its target client base to high net worth individuals. The following chart shows competitive landscape of third-party wealth management service market in China in 2017:

Rank	Company	Company Profile	Aggregate Transaction Value (US$ billion)	Branches	WM Agents	Target Customers	Market Share**
1	Company A	Company A, founded in China in 2011, is a leading TPWM firm providing HNWIs with wealth management services including fund sales and family office, etc.	25.69	~170	~2,200	HNWI	na
2	Company B	Company B, founded in China in 2003 and listed in the US market, is a leading TPWM firm providing HNWIs with comprehensive wealth management services.	18.13	~240	~1,500	HNWI	na
						Market share of top 1-10*: ~66%	
11	Company C	Company C, founded in China in 2010 and listed in the US market, is a leading TPWM firm providing HNWIs with comprehensive wealth management services.	8.21	~70	~710	HNWI	na
12	Company D	Company D, founded in China in 2003, is a TPWM firm providing HNWIs with wealth management services including fund sales and family office, etc.	6.82	~130	~2,100	HNWI	na
						Market share of top 11-20*: ~28%	
21	The company		0.94	~26	~100	MA&EMC	~10.4%
22	Company E	Company E, founded in China in 2007, is a TPWM firm providing MA and EMC population segments with wealth management services.	0.87	~40	~520	MA&EMC	~9.6%
23	Company F	Company F, founded in China in 2012, is a TPWM firm providing MA and EMC population segments with asset management services.	0.71	~20	~110	MA&EMC	~7.8%
24	Company G	Company G, founded in China in 2011, is a TPWM firm providing MA and EMC population segments with wealth management services.	0.38	~20	~300	MA&EMC	~4.1%
25	Company H	Company H, founded in China 2013, is a TPWM firm providing MA and EMC population segments with wealth management services.	0.33	~15	~150	MA&EMC	~3.7%
						Market share of top 21-50*: ~6%	

* *Market share of the total TPWM market*
** *Market share of the MA&EMC segments of TPWM market*

Source: China Insights Consultancy

China's Corporate Finance Services

Corporate finance services in China are comprehensive financing solutions to corporate borrowers, including product structure design, introduction of potential investors, compliance and risk management services. Due to the small scale, low proportion of fixed assets, low transparency of financial information and other reasons, small and micro enterprises in China often face challenges in obtaining financing quickly and on reasonable commercial terms. According to China's State Council, in 2017, more than 60% of the small and micro enterprises in China could not obtain any form of loans and rely entirely on their own funds and retained earnings to operate and develop. Such strong demand for financing represents unprecedented opportunities for financial services providers that have established relationships with a variety of corporate borrowers and accumulated in-depth understanding of their financing needs.

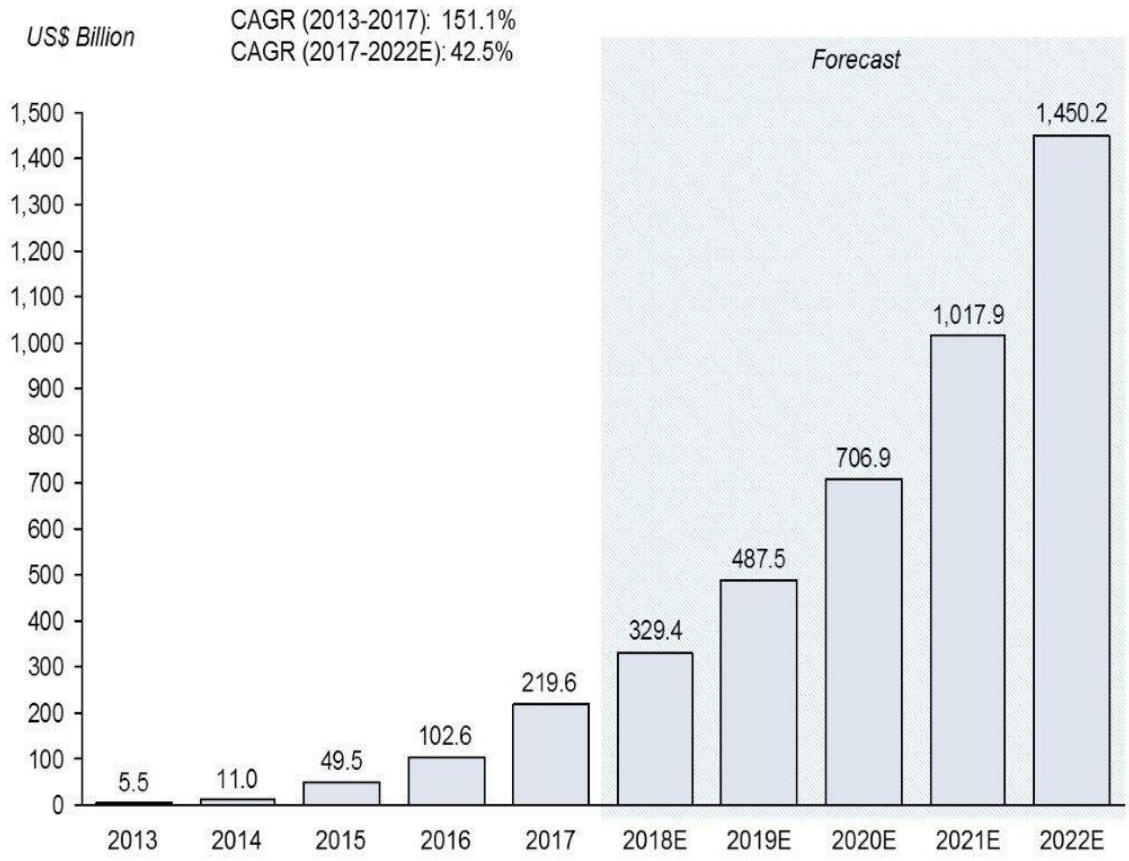
In addition, with the development of supply chain finance, corporate financing needs in the supply chain industry or in industries heavily rely on supply chain have grown rapidly, such as the automotive industry and the real estate industry. Therefore, assisting corporate borrowers in the automotive industry, real estate industry and other supply chain related industries to obtain financing services will become a significant driver for the growth of the fixed-income corporate finance industry.

China's Asset Management Services Market

According to CIC, the market size of China's asset management services in terms of AUM increased from RMB41.7 trillion (US$6.3 trillion) in 2013 to RMB125.7 trillion (US$19.0 trillion) in 2017, representing a CAGR of 31.5%, and is expected to further grow to approximately RMB223.0 trillion (US$33.7 trillion) in 2022, with a CAGR of 12.0%. Privately raised funds are a significant component of the asset management market that utilize a variety of investment strategies to achieve return objectives within certain predefined risk parameters and investment guidelines. Among different types of privately raised funds, FoFs and NPL funds are two of the most popular forms of privately raised funds in recent years.

FoFs

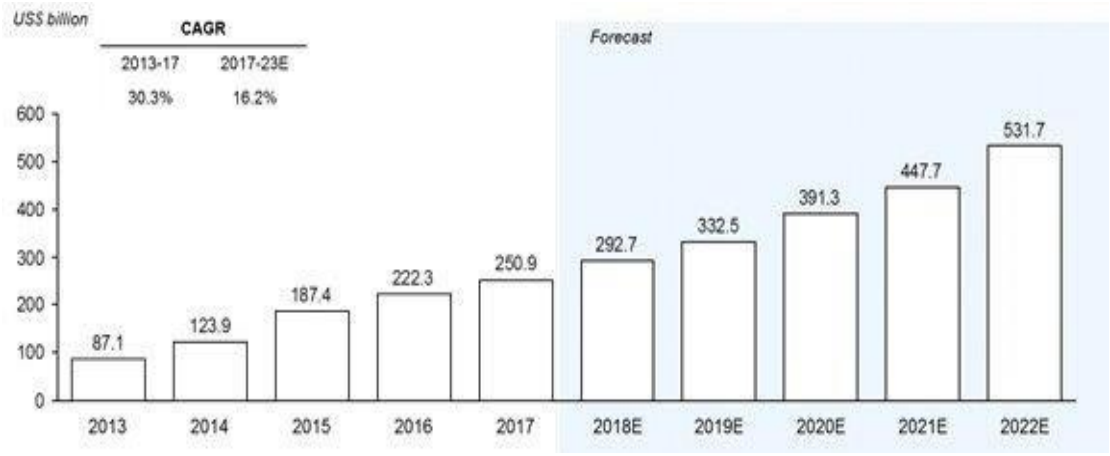
FoFs in China have only begun to develop on a large scale in recent years, having been officially recognized by regulators in 2014. Characterized by relatively low risk and investment advisory services, privately raised FoFs has become an important form of asset allocation for the mass affluent and emerging middle class. The size of the FoF market, as measured by capital raised, increased from approximately RMB36.2 billion (US$5.5 billion) in 2013 to approximately RMB1,453.1 billion (US$219.6 billion) in 2017, representing a CAGR of 151.7%. As China's economy continues its growth, capital raised for FoFs is expected to further increase from 2017 to RMB9,596.3 billion (US$1,450.2 billion) in 2022, representing a CAGR of 42.5%. According to CIC, such rapid increase is attributable to supportive policies from government, large capital investment and increasing acceptance in the market. The following chart illustrates the historical and forecast market size of FoFs by capital raised in China for the period indicated.



Source: Asset Management Association of China; China Insights Consultancy

NPL Funds Market

The size of the NPL funds market, as measured by the amount of bank's NPLs, increased from RMB576.3 billion (US$87.1 billion) in 2013 to RMB1,660.2 billion (US$250.9 billion) in 2017, representing a CAGR of 30.3%. In 2017, the amount of banks' non-performing loans (NPLs) accounting for more than 90% of the non-performing assets in the financial market, and more than 60% of the total distressed assets in China, respectively. With the enhancement of asset management and disposal capabilities of China's commercial banks and state-owned asset management companies or AMCs, the methods of NPLs' disposal are becoming more diversified. Considering the relatively lower cost to acquire and in turn higher returns to dispose NPLs, banks and the four major state-owned AMCs are expected to allocate more resources to the disposal of NPLs. Due to the expanding size of China's NPLs and the increase in professional investment services, the NPL funds market is expected to further grow from RMB1,660.2 billion (US$250.9 billion) in 2017 to RMB3,518.3 billion (US$531.7 billion) in 2022, representing a CAGR of 16.2%. The following chart illustrate the historical and forecast market size of NPL funds as measured by the amount of non-performing loans of banks in China for the period indicated:



Source: China Banking Regulatory Commission; China Insights Consultancy

CORPORATE HISTORY AND STRUCTURE

We commenced our wealth management service business in November 2010 when our founder, chairman of the and chief executive officer, Mr. Yu Haifeng, founded Fanhua Puyi Investment Management Co., Ltd. (□□□□□□□□□□□□), or Fanhua Puyi, in November 2010. Fanhua Puyi was renamed Fanhua Puyi Fund Distribution Co., Ltd. (□□□□□□□□□□□□) in March 2013.

In 2018, in preparation for our initial public offering, we completed a number of corporate restructuring steps, including:

- *Establishing offshore holding companies*. In August 2018, we incorporated Puyi Inc. as our offshore holding company in the Cayman Islands. In July 2018, we incorporated Puyi Group Limited in the British Virgin Islands, which became the wholly owned subsidiary of Puyi Inc. in August 2018. In July 2018, we incorporated Puyi Holdings (Hong Kong) Limited, or Puyi HK, which became the wholly owned subsidiary of Puyi Group Limited in August 2018.

- *Establishing WFOE*. In August 2018, our PRC WFOE, Puyi Enterprises Management Consulting Co., Ltd. (□□□□□□□□□□□□), or Puyi Consulting, was incorporated in Chengdu, Sichuan, PRC.

- *Transferring of operating entities*. We transferred a number of entities with related businesses under the control of Mr. Yu Haifeng to become subsidiaries of Chengdu Puyi Bohui Information Technology Co., Ltd. (□□□□□□□□□□□□□□□), or Puyi Bohui, our variable interest entity, or VIE. Puyi Bohui has been primarily engaged in providing information technology services to the financial services industry in China. The entities transferred to Puyi Bohui included the following:

    - Fanhua Puyi, which has been the principal entity engaged in wealth management service business. See above. We initially set up Fanhua Puyi with an 84.59% equity interest with the remaining 15.41% held by Beijing Fanlian Investment Co., Ltd. (□□□□□□□□□□□), or Beijing Fanlian, a third party. On September 3, 2018, we purchased the remaining equity interest from Beijing Fanlian in exchange for (i) a cash consideration of RMB10,028,117; and (ii) new issuance of 4,033,600 ordinary shares of our company to Fanhua Inc. at a consideration of US$1,468,976.8.

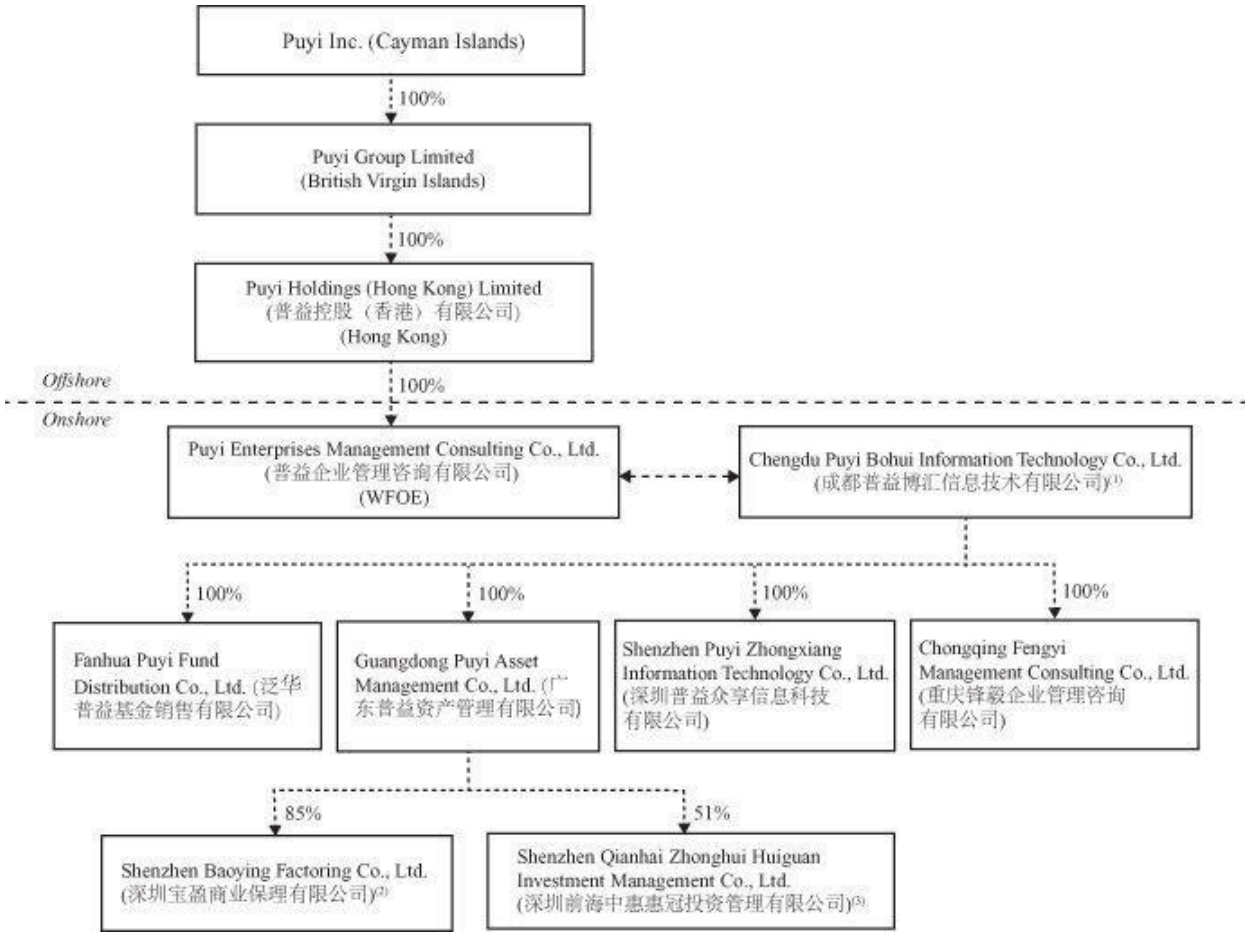
    - Guangdong Puyi Asset Management Co., Ltd. (□□□□□□□□□□□□□) (previously known as Guangdong Fanhua Puyi Asset Management Co., Ltd.), or Puyi Asset Management, which primarily operates our FoF business. Puyi Asset Management has two subsidiaries: (i) Shenzhen Baoying Factoring Co., Ltd. (□□□□□□□□□□□□□) under which we plan to conduct a factoring business, and (ii) a 51% interest (acquired in July 2018) in Shenzhen Qianhai Zhonghui Huiguan Investment Management Co., Ltd. (□□□□□□□□□□□□□□□□□), which primarily operates our non-performing loan management business.

    - Shenzhen Puyi Zhongxiang Information Technology Co., Ltd. (□□□□□□□□□□□□□□□), which primarily distributes our exchange administered products.

    - Chongqing Fengyi Management Consulting Co., Ltd. (□□□□□□□□□□□□□□□), which primarily operates our corporate finance service business.

Due to restrictions imposed by PRC laws and regulations on foreign ownership of companies that engage in asset management, Puyi Consulting entered into a series of contractual arrangements with Puyi Bohui and its shareholders, through which Puyi Consulting has gained full control over the management and receives the economic benefits of Puyi Bohui. See "— Contractual Arrangements."

The following diagram illustrates our corporate structure, including our subsidiaries, interests and consolidated variable interest entities as of the date of this prospectus:



---------► Equity interest

◄- - - -► Contractual arrangement, including the exclusive option agreements, the equity interest pledge agreement, the powers of attorney, the spousal consent, the exclusive technical and consulting services agreement.

(1) Puyi Bohui is held by Mr. Yu Haifeng as to 99.04% and Ms. Yang Yuanfen as to 0.96% respectively.

(2) The remaining 15% of the equity interest is owned by a third party to us.

(3) The remaining 49% of the equity interest is owned by two third parties as to 48% and 1%, respectively.

As of August 6, 2018, we issued 79,232,000 ordinary shares and 768,000 ordinary shares to Worldwide Success Group Limited and Future One Holdings Limited, respectively. On August 31, 2018, Worldwide Success Group Limited, a shareholder transferred 14,400,000 ordinary shares, 13,600,000 ordinary shares and 12,832,000 ordinary shares to Winter Dazzle Limited, Danica Surge Limited and Advance Tycoon Limited, respectively. On September 5, 2018, we entered into a share purchase agreement under which Puyi agreed to issue 4,033,600 ordinary shares to Fanhua Inc. at a consideration of US$1,468,976.8. The issuance was completed on the same day.

On September 18, 2018, Winter Dazzle Limited transferred 1,840,500 ordinary shares to Worldwide Success Group Limited at a consideration of US$1,840.5.

Contractual Arrangements

We engage in fund management services among other services and in the process of applying for the license as a fund manager. Due to PRC legal restrictions on foreign ownership in business of management of privately raised securities funds, we conduct our business in China through our variable interest entities by way of a series of contractual arrangements.

Agreement that Allows Us to Receive Economic Benefits from Puyi Bohui

Exclusive Technical and Consulting Services Agreement. On September 6, 2018, Puyi Consulting entered into an Exclusive Technical and Consulting Services Agreement with Puyi Bohui to enable Puyi Consulting to operate and manage substantially all of the assets and business of Puyi Bohui and receive 100% of the net income of Puyi Bohui before corporate income tax. Under this Agreement, Puyi Consulting has the exclusive right to provide Puyi Bohui with comprehensive business support, technical and consulting services and other services in relation to the principal business during the term of this agreement utilizing its own advantages in management consulting and technology and information. Puyi Consulting or any other party designated by Puyi Consulting, may enter into further technical and consulting service agreements with Puyi Bohui which shall provide the specific contents, manner, personnel, and fees for the specific consulting service. This agreement became effective on September 6, 2018 and will remain effective unless otherwise terminated when all of the equity interest in Puyi Bohui held by its shareholders and/or all the assets of Puyi Bohui have been legally transferred to Puyi Consulting and/or its designee upon the approval of the board of directors of Puyi Inc. in accordance with an Exclusive Option Agreement entered among Puyi Consulting, Puyi Bohui and its shareholders.

Agreements that Provide Us with Effective Control over Puyi Bohui

Powers of Attorney. On September 6, 2018, Mr. Yu Haifeng and Ms. Yang Yuanfen, shareholders of Puyi Bohui, each executed a Power of Attorney to Puyi Consulting and Puyi Bohui, whereby both shareholders of Puyi Bohui irrevocably authorize and constitute Puyi Consulting as their attorney-in-fact to exercise on the shareholders' behalf any and all rights that shareholders of Puyi Bohui have in respect of their equity interests in Puyi Bohui. These two Power of Attorney documents became effective on September 6, 2018 and will remain irrevocable and continuously effective and valid as long as the original shareholders of Puyi Bohui remain as the shareholders of Puyi Bohui.

Equity Interest Pledge Agreement. Under the Equity Interest Pledge Agreement dated September 6, 2018 among Puyi Bohui, each of the shareholders of Puyi Bohui and Puyi Consulting, each shareholder of Puyi Bohui agreed to pledge all of his or her equity interest in Puyi Bohui to Puyi Consulting to secure the performance of Puyi Bohui's obligations under the Exclusive Technical and Consulting Services Agreement and any such agreements to be entered into in the future. Under the terms of the agreement, in the event that Puyi Bohui or its shareholders breach their respective contractual obligations under the Exclusive Technical and Consulting Services Agreement, Puyi Consulting, as the pledgee, will be entitled to certain rights, including, but not limited to, the right to collect dividends generated by the pledged equity interest. The Puyi Bohui shareholders also agreed that upon occurrence of any event of default, as set forth in the Equity Interest Pledge Agreement, Puyi Consulting is entitled to dispose of the pledged equity interest in accordance with applicable PRC laws. The shareholders of Puyi Bohui agreed not to transfer, sell, pledge, dispose of or otherwise create any encumbrance on their equity interest in Puyi Bohui agreed without the prior written consent of Puyi Consulting. The pledge of each of the shareholders of Puyi Bohui became effective on such date when the pledge of the Equity Interest contemplated herein was registered with relevant administration for industry and commerce and will remain effective until all payments due under the Exclusive Technical and Consulting Agreement have been fulfilled by Puyi Bohui, or upon the transfer of equity interest under the Exclusive Option Agreement entered into among the parties of this agreement.

Spousal Consent Letters. Pursuant to these letters, the spouses of Mr. Yu Haifeng and Ms. Yang Yuanfen, the shareholders of Puyi Bohui irrevocably agreed that the equity interest in Puyi Bohui held by them and registered in their names will be disposed of pursuant to the Equity Interest Pledge Agreement, the Exclusive Option Agreement, and the Powers of Attorney. Each spouse of the shareholders agreed not to assert any rights over the equity interest in Puyi Bohui held by their respective spouses. In addition, in the event that any spouse obtains any equity interest in Puyi Bohui through the respective shareholder for any reason, he or she agreed to be bound by the contractual arrangements.

Agreements that Provide Us with the Option to Purchase the Equity Interest in Puyi Bohui

Exclusive Option Agreement. Puyi Bohui and its shareholders have entered into an Exclusive Option Agreement with Puyi Consulting on September 6, 2018. Under the Exclusive Option Agreement, the Puyi Bohui shareholders irrevocably granted Puyi Consulting (or its designee) an irrevocable and exclusive option to purchase, to the extent permitted under PRC law, once or at multiple times, at any time, part or all of their equity interests in Puyi Bohui. According to the Exclusive Option Agreement, the purchase price to be paid by Puyi Consulting to each shareholder of the Puyi Bohui will be the RMB10 or certain other amount permitted by applicable PRC Law at the time when such share transfer occurs. The Exclusive Option Agreement became effective on September 6, 2018 and will remain effective permanently.

In the opinion of GFE Law Office, our PRC legal counsel, the contractual arrangements among Puyi Consulting, Puyi Bohui and its shareholders, are governed by PRC laws or regulations both currently and immediately after giving effect to this offering are valid, binding and enforceable, and will not result in any violation of PRC laws or regulations currently in effect.

However, there are substantial uncertainties regarding the interpretation and application of current and future PRC laws, regulations and rules. Accordingly, the PRC regulatory authorities may in the future take a view that is contrary to or otherwise different from the above opinion of our PRC legal counsel. It is uncertain whether any new PRC laws or regulations relating to VIE structures will be adopted or if adopted, what they would provide. If the PRC government finds that the agreements that establish the structure for the operation of Puyi Bohui do not comply with PRC government restrictions on foreign investment in any of our businesses when we successfully acquire a license for privately raised fund manager, we could be subject to severe penalties including being prohibited from continuing operations. See “Risk Factors — Risks Related to Our Corporate Structure — Our business may be significantly affected by the draft Foreign Investment Law, if implemented as proposed.”

The VIE agreements under our contractual arrangements are governed by PRC laws and provide for the resolution of disputes through arbitration in China. For additional information, see “Risk Factors—Risks Relating to Our Corporate Structure—We rely on contractual arrangements with our variable interest entity and its shareholders for a portion of our China operations, which may not be as effective as direct ownership in providing operational control.” Such arbitration provisions have no effect on the rights of our shareholders to pursue claims against us under U.S. federal securities laws.

BUSINESS

Overview

Puyi is the largest third-party wealth management services provider in China focusing on mass affluent and emerging middle class population, with a 10.4% market share based on 2017 transaction value, according to CIC. We are also the 21st largest third-party wealth management services provider overall in China based on the same metric, according to the same source.

According to CIC, the size of China's mass affluent and emerging middle class totaled 502.0 million with investable assets of RMB115.3 trillion (US$17.4 trillion) at the end of 2017. Currently, a majority of the mass affluent and emerging middle class population in China rely on wealth management products issued and distributed by commercial banks. In April 2018, China's banking and securities regulators jointly released the *Guidelines on Standardizing Asset Management Businesses of Financial Institutions*, or the 2018 Guidelines, which aimed at reining in the banks' supply of off-balance sheet wealth management products and breaking traditional implicit guarantee of returns on wealth management products. As a result, the number of new products issued by banks have declined significantly. It is expected that the mass affluent and emerging middle class population in China will increasingly turn to third-party wealth management service providers for investment advisory services relating to market-oriented products.

We provide wealth management services, corporate finance services and asset management services. Our largest business has been our wealth management services business, under which we distribute wealth management products both online and offline through our branch network. Products distributed online include publicly raised fund products, exchange administered products and asset management plans. Products distributed offline through our branch network are privately raised fund products. For the year ended June 30, 2017 and the year ended June 30, 2018, the aggregate transaction value of the wealth management products we distributed totaled RMB5.6 billion and RMB6.0 billion (US$0.9 billion), respectively. In addition, we have a substantial corporate finance services business, under which we provide corporate borrowers with financing solutions, including product design, identification of sources of funding, compliance and risk management. We also have a newly-established and fast-growing asset management business under which we currently manage two FoFs and in preparation of new FoFs and NPL funds.

We adopt a unique social e-commerce sales model to develop our client base. Our approach consists of identifying, fostering and collaborating with seed clients—existing clients who believe in our service capabilities—to actively market our products or services on social media platforms to their families, friends and acquaintances. Our seed clients are supported by our approximately 100 investment advisors, who are responsible for providing seed clients with systematic and continuous professional training on our product offering as well as investment and asset allocation. As of June 30, 2016, 2017 and 2018, the number of our seed clients increased from approximately 16,000 to 25,200 and further to 35,000. Currently we have seed clients in 168 cities in 20 provinces across China. As of June 30, 2018, approximately 20.4% of our total clients were seed clients, but approximately 98% of our total sales for the year ended June 30, 2017 and 2018 were all generated by our seed clients.

We have experienced significant growth in recent years. Our net revenues increased from RMB155.7 million for the year ended June 30, 2017 to RMB165.8 million (US$25.1 million) for the year ended June 30, 2018. Our net income increased from RMB39.6 million for the year ended June 30, 2017 to RMB63.6 million (US$9.6 million) for the year ended June 30, 2018.

Competitive Strengths

Largest third-party wealth management services provider focusing on China's mass affluent and emerging middle class population

Puyi is the largest third-party wealth management services provider in China focusing on mass affluent and emerging middle class population, with a 10.4% market share based on 2017 transaction value, according to CIC. We are also the 21st largest third-party wealth management services provider in China overall based on the same metric, according to the same source. The size of China's mass affluent and emerging middle class population totaled 502.0 million in 2017 and is expected to further increase to 642.9 million in 2022, while the percentage of China's total population with investable assets is expected to increase from 48.7% in 2017 to 59.3% in 2022. Currently less than 10% of the mass affluent and emerging middle class population are using third-party wealth management services, as compared to more than 50% in the United States.

Currently, a majority of mass affluent and emerging middle class population rely on wealth management products issued and distributed by commercial banks, but the banks are inherently conflicted because their main business is interest-based lending rather than a commission-based business such as wealth management service, therefore they typically do not offer personalized services and lack the independence in providing investment advice. Furthermore, historically, a large number of banks' wealth management products were issued off-balance sheet with implicit guarantee of returns. In April 2018, China's banking and securities regulators jointly released the 2018 *Guidelines*, aimed at reining in the banks' supply of off-balance sheet wealth management products and breaking traditional implicit guarantee of returns on all types of wealth management products. As a result, the number of new products issued by banks declined by 17.0%, and the number offering guaranteed repayment decreased by 5.3% from March 2018 to June 2018.

These regulatory and industry trends are expected to lead to the development of a truly market-oriented wealth management products and services market, which we believe positions us well for rapid future growth.

A unique social e-commerce based sales model driven by seed clients

According to CIC, we are the first third-party wealth management service provider to successfully adopt an innovative social e-commerce based approach to tap into the vast wealth management market serving the mass affluent and emerging middle class population in China. Our approach consists of identifying, fostering and collaborating with seed clients—existing clients who believe in our service capabilities—to actively market our products or services on social media platforms to their families, friends and acquaintances.

The nature of social e-commerce is accepting peer recommendations that consumer trust. As a result, our seed clients are uniquely advantaged to developing potential clients within their social network because they can have greater influence on their investment decisions than our in-house investment advisors. It is also more convenient for our seed clients to manage clients they developed by maintaining regular contact. Our seed clients are supported by our approximately 100 investment advisors, who are responsible for providing them systematic and continuous professional training on products profile as well as investment and assets allocation knowledge. We also educate our seed clients through investment advisors to encourage long-term hold strategy as investment returns of most of our products, especially the ones with underlying investments in securities may vary yearly, but should average out over the long run. Furthermore, as our products portfolio aims to be simple and easy to understand, our seed clients are able to discuss products intelligently and with precision.

Our seed client model transforms seed clients to our distribution channel, and enables us to more quickly strengthen brand awareness and develop a client base without deploying a large and expensive in-house sales force. Furthermore, the model enables our investment advisor team to focus more on enhancing professional advisory and financial planning services capabilities to serve our client base. Because we separate our client relationship management function from our professional service function, we are able to reduce reliance on any particular seed client or investment advisor and increase the stability of our client base.

As of June 30, 2016, 2017 and 2018, the number of our seed clients increased from approximately 16,000 to 25,200 and further to 35,000. Currently we have seed clients in 168 cities in 20 provinces across China, covering major tier three and tier four cities where there is a high concentration of emerging middle class as well as selected economically well-developed cities with a large percentage of mass affluent Chinese available for marketing. As of June 30, 2018, approximately 20.4% of our client base consisted of seed clients, while approximately 98% of our total sales for the year ended June 30, 2017 and 2018 were all generated by our seed clients.

Prudently selected and developed products meeting the specific needs of our client base

We focus on providing wealth management services catering to the mass affluent and emerging middle class population in China. According to CIC, such population segments generally exhibit the following characteristics: they are generally more risk averse than the high net worth population, but are able to tolerate a manageable level of risk, and many do not have significant investment experience, many lack the knowledge to identify and select suitable products on their own. To satisfy their investment needs and risk-return preference, we strive to build and expand our products portfolio with the following features:

- *Simple structure and differentiated products*. Our products generally do not have highly-complex structures in terms of fund flow, investment return calculation, underlying investments and contractual obligations. In addition, we do not offer clients a large number of products with similar profiles which may cause confusion, but focus on a select number of differentiated products suitable for different risk appetites. For example, we have different publicly raised fund products in terms of underlying investment, among which money market funds and bonds funds are primarily purchased by the emerging middle class, and securities funds and hybrid funds are often chosen by the mass affluent population. Recently, we have launched three publicly raised fund packaged products for aggressive, moderate and conservative clients, respectively, which combine different funds into packages and further simplify the products choices. We believe that such a product portfolio makes it easier to understand for potential clients and facilitates our efforts to train our seed clients in their marketing efforts. See "—A unique social e-commerce based sales model driven by seed clients" above.

- *Prudent investments with balanced allocation*. For our target clients, we have developed a product selection and development process guided by a principal of capital preservation first followed by capital appreciation. The underlying investments of our products primarily include fix income products which have short maturities and stable returns, publicly traded securities which are subject to compliance requirement and public disclosures, and loans and receivables with assets-backed collateral, which we believe are suitable for most prudent investors. In addition, we seek to assist our clients in developing a balanced allocation to their assets. For example, we recently launched in-house developed FoFs which allocate investors' assets into diversified underlying funds in order to give our clients exposure to additional mix of products at a manageable risk level. Furthermore, the NPL funds that we have distributed and plan to develop adopt a counter cyclical strategy and are designed to help clients to achieve sustainable asset growth through various phases of the economic cycle.

- *High-quality portfolio*. The products we distribute to our clients generally deliver strong performance or demonstrate such potential. For example, as of June 30, 2018, the money market fund product and the medium- and small-cap fund product we sourced from "Yifangda" (□□□), have achieved an accumulated return of 23.81% and 307.6%, respectively, since their launch in November 2013 and July 2015, respectively, surpassing the respective performance of major similar products in China. The non-restricted asset management plan issued by Guotai Junan Securities, achieved five-consecutive-year positive returns with four-year double-digit returns as of December 31, 2017. In addition, our Meihao FoF, which adopts a hedging investment strategy on the stock and futures markets, has generated positive investment return within three months after its launch in 2018, and is expected to achieve satisfactory returns from a long-term holding perspective.

Collaboration with diverse and high-quality industry players

We have established collaboration with a variety of well-recognized industry players, including:

- *Quality product providers for wealth management services*. We source third-party products from product providers with strong performance record and established credit in the industry. A majority of fund managers of our fund products have long-term operating history, large-scale AUM and are top-rated by leading financial institutions, such as Bosera Funds (□□□□), one of the largest domestic fund managers affiliated with China Merchants Securities; China Southern Asset Management (□□□□), one of the first three domestic approved fund manager; and E Fund (□□□), which has generated attractive returns on multiple products over the 15 years operation and received numerous awards for its fund management performance. We also source asset management plans from three leading domestic securities firms, Guotai Junan Securities, GF Securities and Changjiang Securities. In addition, we collaborate with two state-owned financial assets exchanges to offer exchange administered products, where we can benefit from pre-screening procedures of products by such exchanges which further reduce clients' risks and our operating costs.

- *Well-recognized fund managers for FoF products.* We are actively seeking investment opportunities in funds managed by quality domestic and overseas fund managers. For example, our "Hebi (□□)" FoF series established in June 2018, has invested into four underlying funds managed by Value Partners, Shanghai Minghong Investment Management Co., Ltd., Shanghai Pushi Investment Management Partnership Enterprise (Limited Partnership) and Shanghai Xingju Investment Management Co., Ltd., all of which are quality fund managers. In addition, we are under active discussion with asset management teams from CITIC Securities, Guotai Juan Securities and Sinolink Securities, for the FoFs in the pipeline.

We view these collaboration relationships as a testament of our widely-recognized brand and market position in wealth management and asset management industry, which have been our core asset to source quality and diversified product portfolio, attract seed clients and enhance our business scale and creditability.

Visionary senior management team and experienced business team

Our founder, chairman and chief executive officer, Mr. Yu Haifeng, has in-depth understanding of the wealth management market in China. He has approximately 18 years of extensive work experience in China's financial and investment industry and has led us to be the pioneer and leading and boutique wealth management service provider for China's large and fast growing mass affluent and emerging middle class population. Our chief financial officer, Mr. Hu Anlin, has work experience in the financial services industry of approximately 18 years and previously served as a department vice president of another U.S. listed company. Under the leadership of our senior management, we have assembled a highly seasoned business team with strong academic and work background in their respective business functions, including online and offline product sales and distribution, corporate finance, asset management, risk management and finance. We also recently acquired a professional investment management team possessing extensive experience in corporate reorganization and distressed assets management, which further complement our asset management capabilities and enables us to launch NPL funds in near future. We believe such a visionary management team and experienced business team enables us to closely follow the market trend and quickly carry out business strategy, and therefore provides us a competitive edge in the industry.

Business Strategy

Continue our expansion while focusing on our target client base

We have had significant success in developing and implementing our business strategy of focusing on the emerging middle class and the mass affluent population in China. In the next phase of our expansion, we intend to continue implementing this strategy through the following:

- expand our branch network focusing on tiers one and two cities as compared to smaller cities historically;
- continue to develop seed clients in new and existing markets, including by entering into strategic collaboration with alternative financial service providers;
- develop experienced independent investment advisors as seed clients in order to develop our offline personal wealth management service business; and
- hire significantly more investment advisors to train, manage and support our seed clients.

Strengthen our product offering

We plan to continue to strengthen our product offering by focusing on the following aspects:

- develop and manage publicly raised fund products with performance fee-based structures similar to our FoF products (and our first such product is expected to be launched in October 2018) in order to increase revenue in our publicly raised fund products;
- enter into collaboration with additional financial asset exchanges and local asset management companies in order to offer more diversified exchange administered products and non-performing loan products, respectively;
- establish strategic relationships with providers of products in areas such as overseas funds and NPL funds; and
- launch additional FoFs and NPL funds in our asset management business, and, to support such launches, significantly increase the hiring of highly-qualified asset managers and other investment professionals.

Continue to invest in our IT infrastructure

We plan to continue to optimize our IT infrastructure by developing the following new features and functionalities:

- client development platform for seed clients, which is expected to enable them to monitor their sales performance and manage their clients, receive products newsletters and events notifications, as well as register for our online courses to strengthen their marketing skills and professional knowledge;

- sales network management platforms, which is expected to enable us to better monitor and manage transactions as well as the performance of branch network and seed clients; and

- data center, which is expected to collect and analyze more client information and transactional data and enable us to conduct more precise marketing activities.

Enhance our brand recognition in our target markets

We seek to further enhance our brand value within the financial services industry in China through the following initiatives:

- organize more live meetings where clients, seed clients and our investor advisors can gather to share investment experience with each other in person, thereby strengthening their recognition of and loyalty to our brand;

- host large-scale financial forums and attend industry conferences to expand our influence among industry players;

- strengthen social media marketing by actively offering investor education, financial market newsletters and products brochures through multiple social media platforms, such as our apps, WeChat official account and other online channels; and

- offer live streaming courses by investor advisors to create an engaged and interactive community within target clients.

Our Services

We provide wealth management services, corporate finance services and asset management services. These complementary services enable us to offer a suite of products to meet the investment objectives of our clients. In addition, we have historically provided information technology services to financial service providers. Since 2018, we have begun to wind down such business and have transitioned it to become part of our internal information technology service function.

Wealth Management Services

Our products distributed under our wealth management services can be broadly divided into those transacted online and those distributed offline through our branch network. Generally, for products offered to the public (either unspecified investors or unlimited number of specified investors with minimum investment requirement), we process the relevant transactions online through two mobile apps, "Puyi Fund" (□□□□) and "Puyitou" (□□□). These mobile apps provide up-to-date product-related information online and provide a full-scope online transaction processing whereby clients can execute transactions and monitor their investments portfolio. In comparison, our privately raised fund products, which are offered to limited number of qualified investors, are only distributed offline through our branch network. We receive distribution commissions for all wealth management products distributed by us. In addition, we receive performance-based fee income for the privately raised funds we distribute.

Our privately raised funds distributed through our branch network has been our largest product category in terms of revenue, but our products distributed online have been our largest category in terms of transaction value. Although most of the products we have recommended to our clients are sourced from third-party product providers, we also distribute privately raised fund products under our management. See "- Asset Management Services" below. For accounting purposes, third-party product providers are our customers under wealth management services. The following table sets forth transaction value and revenue contribution of the different product categories under our wealth management services for the periods indicated.

	For the year ended June 30, 2017		For the year ended June 30, 2018			
	Transaction value	Revenue	Transaction value		Revenue	
	RMB	RMB	RMB	$	RMB	$
			(in thousand)			
Wealth management products distributed online						
Publicly raised fund products	12,688	72	257,292	38,883	1,101	166
Exchange administered products	3,248,621	59,129	1,919,486	290,080	50,056	7,565
Asset management plans	-	-	53,600	8,100	484	73
Subtotal	*3,261,309*	*59,201*	*2,230,378*	*337,063*	*51,641*	*7,804*
Wealth management products distributed offline—privately raised products	2,373,400	85,724	3,796,490	573,739	88,762	13,414
Total	5,634,709	144,925	6,026,868	910,802	140,403	21,218

Products Distributed Online

Publicly raised fund products

Publicly raised funds refer to any fund that is offered to unspecified investors or more than 200 specified investors. We have distributed publicly raised fund products since our inception. Our commission rates generally range from 0.25% to 1.0% per annum. For the years ended June 30, 2017 and 2018, we distributed 79 and 183 publicly raised fund products, respectively, with an aggregate transaction value of RMB12.7 million and RMB257.3 million (US$38.9 million), respectively. Although we have focused more on privately raised fund products since 2016, publicly raised fund products, continue to be a key product category for us because we believe that this product is an effective method to attract new clients due to relaxed subscription requirements compared with privately raised fund products. See “Regulation - PRC Regulations Relating to Wealth Management Services – Privately Raised Funds”.

We market and distribute the following types of products by third-party product providers, based on the underlying assets class:

- *Money market fund products*. These products are fixed income mutual fund products generally investing in low risk, highly liquid and short term financial instruments. These instruments include government bonds, central bank bills, term deposits, certificates of deposits and corporate commercial papers.

- *Bond fund products*. These products are also fixed income fund products investing in treasury bonds and local government bonds but in higher risk categories than money market fund products. The risk level on these products are generally low to moderate.

- *Debt or equity securities or hybrid fund products*. These fund products primarily invest in publicly traded stocks and bonds or a mix. These risk level on these products are generally moderate to aggressive.

As of June 30, 2017 and 2018, the average annualized return of the money market fund products we distributed was approximately 3.5% and 4.4%, respectively. As of the same dates, the average annualized return of the other publicly raised fund products we distributed was approximately 6.9% and 7.9%, respectively.

Exchange administered products

Since December 2016, we have been collaborating with two local financial assets exchanges, namely, Tianjin Financial Asset Exchange and Guangzhou Financial Asset Exchange, to distribute selected financial products administered by them. The financial products are backed by financial assets of registered members of these two state-owned exchanges, and issued by exchange designated product issuers (typically investment or asset management companies). The exchanges list qualified financial product for trading after evaluation, and provide payment clearance and settlement, credit rating and custodian services. The underlying financial assets of listed products administered by these exchanges primarily include commercial loans, receivables, creditors’ right and others. Our commission rate is approximately 2.2% per annum. For the years ended June 30, 2017 and 2018, we distributed 2,765 and 1,710 exchange administered products, respectively, with an aggregate transaction value of RMB3.2 billion and RMB1.9 billion (US$290.1 million), respectively.

Historically, a significant number of exchange administered products were for purposes of real estate development financing and local government financing, and many were highly leveraged. Since the end of 2017, as a result of the changing governmental regulatory environment to support industries in the "new economy" and consumption economy and to increase the pace of financial deleveraging, the number of real estate development financing products and governmental financial products decreased dramatically from December 2017 to April 2018 and adversely affected the transaction value and revenue of our distribution services. From May 2018, in line with the new regulatory environment, we witnessed a substantial increase in the number of products based on supply chain financing and micro- and small businesses working capital loans, which are primary product types we currently offer. As of June 30, 2018, the average annualized return of such exchanged administered products ranged from 5.7% to 6.3%.

The following is a brief description of these products:

- *Supply chain financing products*. Such products raise fund to satisfy financing needs of participants in goods and services transactions to facilitate completion of such transactions, and secure repayments with transaction proceeds or underlying goods or services. The supply chain financing products we primarily distribute are mortgage bank loans in related to purchase of real properties. Maturity periods for such products generally range from one to six months.

- *Micro-and small business working capital loan products.* The underlying financial assets are micro- and small businesses working capital loans, typically with smaller amount and guaranteed with sufficient mortgage, collateral or credit for companies with lower risk in default after due diligence. Maturity periods for such products generally range from 12 to 24 months.

Assets Management Plans

In China, asset management plans are fund products issued by securities firms. From the second quarter of 2018, we started to distribute two asset management plans issued by well-recognized securities firms, including (i) one restricted asset management plan with underlying investment primarily restricted to fixed income products and alternative fixed income products, with annualized return of 4.4% as of June 30, 2018; and (ii) one non-restricted asset management plan with underlying investment primarily in publicly traded stocks and bonds although there are no such restrictions, with annualized return of 10.0% as of June 30, 2018. Our commission rates are generally 1.2%. We are also entitled to share 20% of the performance-based fees earned by the issuer for the non-restricted asset management plan per annum. From October 2018, we started to distribute a new restricted asset management plan with underlying investment primarily in bonds.

Products Distributed Offline—Privately Raised Products

All of our wealth management products distributed offline through our branch network are privately raised products. Since 2016, we have offered privately raised funds as we have increased focus on higher end segment of the market and because these products are more financially attractive to us. As of June 30, 2017 and 2018, the average annualized return of such products we distributed ranged from 8.5% to 9.0%, and 8.0% to 9.0%, respectively. As of June 30, 2018, the carried interest rate of privately raised fund products we distributed ranged from 10.8% to 13.5%. We have distributed six series of privately raised funds with an aggregate transaction value of RMB6.4 billion. We generate commissions paid by the fund managers calculated as 1% to 3% annualized commission rate of the total capital balance raised from our clients as of the year end. For certain funds, we are generally entitled to approximately 20% of carried interest realized by the fund managers after funds exit.

Fund products sourced from third-party fund managers include the following:

- *Receivables/debt fund series*. We have distributed 21 funds under this fund series since July 2016 with an aggregate transaction value of RMB3.1 billion (US$468.4 million). Investments under this fund series primarily include receivables/debt with a majority mortgage loans of homeowners.

- *Private equity fund series*. We have distributed 31 private equity funds since January 2016 with an aggregated transaction value of RMB2.6 billion (US$362.9 million). Investments under these private equity funds primarily include equity interest of domestic private companies.

- *NPL fund*. We distributed one NPL fund in June 2018 with an aggregated transaction value of RMB59 million (US$8.9 million). Investment under such NPL fund was a distressed bank loan.

- *QDII fund series.* We have distributed three QDII funds since August 2017 with an aggregated transaction value of RMB366.9 million (US$55.4 million). Investments under QDII funds we distributed primarily include equity shares issued in initial public offerings and PIPE transactions by China-based TMT companies listed in the U.S.

As privately raised funds typically require higher net worth and/or investment sophistication and are offered to limit number of qualified investors, such funds charge higher fee rates and managers of such funds sometimes allow fund distributors to earn a portion of the performance-based carried interest. Further to the distribution of third-party fund products, we have recently distributed two in-house developed FoFs under our management. See ” – Asset Management Services”.

Agreements with Product Providers

Our distribution is typically governed by agreements entered with product providers on a product-by-product basis, primarily including fund managers, exchange designated product issuers and securities firms. The material terms of agreement with our product providers are summarized as below:

- *Service scope*. We typically undertake to provide the product providers with services relating to our clients’ purchase of the relevant products. Such services typically include providing our clients with information on the relevant products, educating clients on the documentation involved in the purchase as well as furnishing their transactions with the product providers through our app or branch network. For privately raised fund products, we also assess clients’ qualification for the purchase as required by relevant product providers.

- *Commissions and fees*. For all of our wealth management products, we are entitled to receive distribution commissions calculated by a fixed percentage of the amount purchased by our clients. For certain privately raised fund products, we are also entitled to performance-based fees subject to hurdle rates. In addition, for privately raised fund products distributed on a net-commission basis, product providers are responsible for paying commissions to our seed clients.

- *Confidentiality*. We and the product providers are prohibited from making any unauthorized disclosure of our clients’ information. In addition, privately raised fund managers are not permitted to use such information in a manner that might be detrimental to our interest.

- *Exclusivity*. For distribution agreements with major exchange designated issuers, we have been granted exclusive rights to distribute specific products.

- *Terms*. The distribution agreements typically expire upon the expiration of the relevant wealth management products. For any new financial products, new agreements need to be negotiated and entered into.

Corporate Finance Services

In distributing and managing wealth management products, we have established relationships with a variety of corporate borrowers and have gained insights into their financing needs. Accordingly, we began offering corporate finance services to corporate borrowers in January 2017. Under our corporate finance service business, we provide a wide range of financing services to corporate borrowers, including product structure design, introduction of potential investors, and compliance and risk management services. We generally charge a service fee equal to a percentage of the total fund raised, taking into account the complexity of financing needs and product structure. To ensure a quality expanded client base, we generally target corporate borrowers that have long-lasting financing needs, high-quality underlying assets and superior credit, but have experienced difficulties obtaining bank loans. To date, our corporate borrower clients and services provided include:

- *Consumer finance provider*. Since March 2018, we have collaborated with a real estate financial service provider that is focusing on providing bridge loans to homeowners. In China, homeowners are required to pledge the property ownership certificates to banks for obtaining mortgage loans. When homeowners intend to sell their homes, they must repay their mortgages first in order to obtain a release of their ownership certificates by banks, which leads to a significant need for bridge loans to repay mortgage loans. We assisted the real estate financial service provider in designing and issuing wealth management products through trust plans in order to quickly raise fund for the bridge loans to facilitate subsequent property transactions. To date, this real estate financial service provider has raised a total of approximately RMB600 million from the trust plan products.

- *Auto supply chain service providers*. In August 2018, we entered into collaboration with a car trading and financing platform targeting car dealers. Under our collaboration, we provide sources of funding to car dealers for purchase from the car trading platform and secure repayments with purchased vehicles as collateral and cash guarantees from car dealers. We charge both car dealers and the platform financing services fees.

Asset Management Services

We began our asset management services recently by launching in-house developed FoFs. The FoFs include:

- Hebi FoF series ("□□FoF□□"). There are two funds under this series established in April 2018 and May 2018, respectively. We are the general partner in each fund. This fund series is suitable for investors with moderate risk appetite. We intend underlying funds to be primarily focused on investment in domestic publicly traded stocks as current benchmark indices have sank to bottom level within the past decade and therefore represent a good timing to bottom fish high quality securities. In addition, we encourage long-term hold strategy on securities investment therefore we require investors of this FoF series to agree on a two-year lock-up period before being able to redeem. The underlying funds we have invested are generally managed by quality fund managers, including Value Partners, Shanghai Minghong Investment Management Co., Ltd., Shanghai Pushi Investment Management Partnership Enterprise (Limited Partnership) and Shanghai Xingju Investment Management Co., Ltd., As of June 30, 2018, we raised capital of RMB174.8 million (US$26.4 million).
- *Meihao FoF ("□ □ FoF").* This fund was established in April 2018. We are a co-general partner in the fund together with Guangdong Jintaiping Asset Management Services Co., Ltd., (□□□□□□□□□□□□□□), which we agreed to acquire in September 2018. This FoF is considered more conservative as it adopts hedging strategy by going long on publicly traded stocks and going short on futures market, and mainly does short-term speculation for stocks investments to further reduce related risks. We require investors to agree a one-year lock-up period before possible redemption. As of June 30, 2018, we raised capital of RMB144.5 million (US$21.8 million).

The following table sets forth the fee structure and incentive arrangement of our FoFs.

Fund	Rate of management fees[1]	Rate of subscription fees[2]	Carried interest[3]	Hurdle rate
Hebi FoF series	1.2%	1%	Nil to 10%	8%
Meihao FoF	0.5%	1%	Nil to 10%	6%

Notes:

(1) We charge clients management fees for each FoF we manage in terms of committed capital. From April 2018 when we launched our first two FoFs to June 30, 2018, the weighted average of our management fee rate is 0.88%.

(2) We charge clients subscription fees for each FoF we manage in terms of raised capital. Subscription fees were collected as distribution income under wealth management service revenue therefore not recognized as the asset management revenue. See "Management Discussion and Analysis of Financial Condition and Results of Operations—Key Components of Results of Operations—Wealth Management Services—By revenue type" and "Management Discussion and Analysis of Financial Condition and Results of Operations—Key Components of Results of Operations—Asset Management Services".

(3) We receive carried interest from FoFs subject to the applicable hurdle rate. If the rate of net capital appreciation reaches such hurdle rate, we would receive carried interest calculated as a fixed percentage of the applicable fund's net capital appreciation per annum.

The table below provides the period to period roll forward of AUM under our asset management services and also reflects AUM at period end for the periods indicated.

	From April 27, 2018 to June 30, 2018	
	AUM in RMB	AUM in US$
	(in thousand)	
Balance, As of April 27, 2018[1]		
- Hebi FoF series	2,000.0	302.2
- Meihao FoF	2,000.0	302.2
Subtotal	**4,000.0**	**604.4**
Gross inflows [2]		
- Hebi FoF series	172,800.0	26,114.2
- Meihao FoF	142,500.0	21,535.1
Subtotal	**315,300.0**	**47,649.3**
Gross outflows[3]		
- Hebi FoF series	146.6	22.2
- Meihao FoF	179.3	27.1
Subtotal	**325.9**	**49.3**
Fair value changes and others[4]		
- Hebi FoF series	659.9	99.7
- Meihao FoF	1,719.4	259.9
Subtotal	**2,379.3**	**359.6**
Balance, ending of period		
- Hebi FoF series	175,313.3	26,494.0
- Meihao FoF	146,040.0	22,070.1
Subtotal	**321,353.3**	**48,564.1**

Notes:

(1) The date upon which our first two funds, Meihao FoF and Hebi FoF I were established.

(2) Include increased amounts contributed by new funds established and additional capital raised for existing funds from May 16, 2018 to June 30, 2018.

(3) Include management fees, fund custodian fees and operation services fees. There was no fund exit or dissolution for the periods presented.

(4) Primarily include fair value changes in our funds calculated based on the lower of cost or fair value of raised capital.

The AUM under our asset management services has been under rapid growth since we began to offer such services and is expected to increase in the future. The increase in our AUM was primarily affected by (i) gross inflows due to new FoF (Hebi FoF II) was established and continuous committed capital into our funds; and (ii) fair value changes in our fund due to their positive performance. As we recently began to offer asset management services, the current fair value changes are relatively small. We expect these funds to deliver increasing returns in the long term. We will continue to have gross outflows due to the deduction of management fees, fund custodian fees and operation services fees in line with the expansion and operation of our asset management services. As our current FoFs all have lock-up periods, we do not expect exit funds and make relevant distributions in next one to two years.

Currently, we are in the preparation of launching two new FoFs: one of which is designed to deploy a hedging investment strategy and is suitable for conservative and moderate investors, and the other is intended to be more aggressive. We are under active discussion with asset management teams from CITIC Securities, Guotai Juan Securities and Sinolink Securities for such FoF pipeline.

In July 2018, we acquired the controlling interest of an investment management company which manages the underlying asset of the NPL fund we previously distributed. See "—Wealth Management Services—Products Distributed Offline—Privately Raised Products". Since then, we have been entitled to collect management fees for management of the underlying NPL asset through such investment management company. The investment management team of the company we acquired has extensive experience in corporate reorganization and distressed assets management, which complements our asset management capabilities and enables us to launch NPL funds in near future.

Information Technology Services

Historically, we collected services fees from the information technology services we provided to third parties through our VIE, Puyi Bohui. The services fees were calculated based on the expected labor cost, project management services fee plus a certain percentage of gross profit. Revenue from such services was recognized according to completion percentage multiplying total contract amount. Since 2018, we have strategically transitioned Puyi Bohui's function to one of our IT support by shifting the focus of Puyi Bohui's services to meet our internal needs. As a result, we expect that we will no longer generate revenue from such services starting from 2019.

Our Client Services

We refer to those purchased wealth management products distributed by us during any given period as active clients for the period. For the year ended June 30, 2017, the number of our active clients purchasing privately raised fund products and offline distributed products was 1,343 and 139,590, respectively, which increased by 82.4% to 2,449 and by 20.9% to 168,820, respectively, for the year ended June 30, 2018. Among our active clients purchasing privately raised fund products for the year ended June 30, 2017 and 2018, approximately 78.9% and 79.3% of them have previously purchased wealth management products that we distribute, demonstrating our strong client retention abilities. By launching corporate finance services recently, we have also begun to penetrate into corporate clients.

We classify our target clients into different categories in terms of their risk appetites. Through frequent and in-depth client communications, we analyse and assess financial condition, past investment experiences, risk profiles and investment goals of potentials clients and provide them suitable products. We also provide clients with consultations on products and on-going assets allocation planning and provide recommendations to clients on adjusting their assets allocation plans in response to economic and market conditions.

In addition, for clients who have purchased products through us, we provide them with timely updates on the product performance primarily including net assets value reports and other performance statistics through apps, live investment performance symposiums, as well as regular communications via seed clients and investment advisors. Moreover, we established official accounts on WeChat to provide industry news, products update and investors education, which allows us to continually provide updates on the products and services offered by us to the online community of our clients. We also provide general investor education by publishing online quiz activities, organizing seminars and salons and plan to hold online live streaming courses to provide guidance in response to any changes in market conditions. For clients with special needs such as overseas study or medical services, we collaborate with third party agencies to provide one-stop services.

Sales and Marketing

Our headquarters are located in Guangzhou, and we have a branch network of 26 offices covering 19 provinces and hundreds of cities. To further tap into the vast market of mass affluent and emerging middle class population for our wealth management services and effectively compete with our competitors such as commercial banks and online financing service providers, we have developed an innovative social e-commerce based approach, whereby we identify, foster and collaborate with seed clients—existing clients who believe in our service capabilities—to actively market our products or services on social media platforms to their families, friends and acquaintances in return for a commission. As seed clients develop potential clients within their networks, they have greater influence on their investment decisions than our in-house investment advisors. In addition, it is also more convenient for such seed clients to manage clients they developed by maintaining regular contact. Our seed clients are supported by our approximately 100 investment advisors, who are responsible for providing them systematic and continuous professional training on products profile as well as investment and assets allocation knowledge. Furthermore, as our products portfolio aims to be simple and easy to understand, our seed clients are able to discuss products intelligently and with precision. In addition, we provide technical support through our "Puyitou" and "Puyi Fund" apps enabling the seed clients to connect our apps with other social media platforms.

Our seed clients significantly complement our in-house investment advisors. They are able to expand our sales and marketing reach to a wider network of potential clients, exert their influence on their social communities, connect our investment advisors with new clients, and follow-up on the retention status of clients they developed. Our seed clients therefore play a critical role in client relationship management, which enables our investment advisors team to focus on enhancing professional services capabilities. Because we separate our client relationship management function from our professional service function, we are able to reduce reliance on any particular seed client or investment advisor and increase the stability of our client base.

We enter into introduction agreements with our seed clients, under which a seed client is entitled to a commission if such seed client brings in a new client to invest in our products. The amount of the commission depends on the amount of products the new client purchases. According to our internal policies for commissions to seed clients, current commission rates for publicly raised fund products, exchange administered products, asset management plans and privately raised fund products are 0.1%, 0.1%, 0.1%, 0.5%, and 0.75% per annum, respectively, subject to adjustment by management. There is no fixed term of the seed client engagement under the introduction agreement unless such agreement is terminated after negotiation or due to material breach by either party.

As of June 30, 2016, 2017 and 2018, the number of our seed clients increased from approximately 16,000 to 25,200 and further to 35,000. Currently we have seed clients in 168 cities in 20 provinces across China, supported by approximately 100 investment advisors, covering major tier three and four cities where emerging middle class mainly concentrates as well as selective economically developed cities with a substantial number of mass affluent Chinese available for marketing. As of June 30, 2018, the clients that purchased our public raised fund products, exchanged administered products, asset management plans and privately raised fund products reached approximately 26,500, 26,700, 316 and 2,100, respectively, of which approximately 50%, 47.7%, 82.0% and 65.1%, respectively, were our seed clients. The retention rates of our seed clients were 98.9% and 99.3% as of June 30, 2017 and 2018, respectively. Among the existing seed clients, we refer those who bring in at least one new registered user of our apps or one new client with one purchase during any given period as "active seed clients" for the period. We had 25,014 and 33,922 active seed clients for the years ended June 30, 2017 and 2018, respectively, accounting for 96.8% and 97.2% of the total seed clients for the same periods, respectively. As of June 30, 2018, approximately 20.4% of our total clients were seed clients, but approximately 98% of our total sales bear commissions to seed clients, i.e. were brought in by our seed clients. Attributable to the vast seed client base, we do not have particular reliance on any seed client or limited number of seed clients. For the years ended June 30, 2017 and 2018, the single largest seed client in terms of revenue contribution brought in 1.1% and 1.1% of the total sales, through seven and 27 new clients, respectively. For the same periods, the top five largest seed clients in terms of revenue contribution brought in 4.0% and 3.4% of the total sales, through 104 and 103 new clients, respectively. Our extensive coverage network of branch offices and seed clients enable us to gain direct access to target clients and wealth management services market. The map below shows our coverage network by branch office location and number of seed clients as of the date of this prospectus:

Product Selection, Development and Risk Management

We select and develop our product portfolio under our wealth management philosophy for targeted mass affluent and emerging middle class population that product profiles shall be simple and differentiated, prudently selected with balanced allocation and high quality, and keeping in line with the latest market trend. We strive to continuously provide our clients products with attractive returns and controllable risks.

Product Selection for Wealth Management Services

Although we are not directly liable to our clients in relation to the performance or default of the third-party products distributed through us, as our clients typically enter into contracts directly with the third-party product providers in connection with such products, any default or negative performance of these products may adversely affect our reputation. Accordingly, we have developed a product selection procedure to carefully screen each product that we distribute as part of our risk management process.

A key aspect of our product selection process is risk management. We have established a two-prong evaluation system that assesses both the product providers and products for distribution. We assess products providers based on the following: (i) investment experience and capabilities; (ii) integrity and credibility; and (iii) internal control. We assess third party fund products based on the following criteria:

- *Investment targets.* We prefer products that target on fixed income products in nature such as money market products and bond fund products. We also distribute debt or equity securities or mixed fund products which are suitable for moderate investors who accept more sophisticated products with controllable risks.

- *Product structure design.* We prefer products investing in the senior tranches of the underlying investment instruments which typically provide investors with the priority to earn returns.

- *Historical performance.* We seek products with superior record of historical performance.

- *Side-by-side investment made by relevant product providers.* We prefer fund products where fund managers make side by side investment.

In order to conducting the above assessments, we have established rigorous internal procedures. Product managers in our finance channel department select product candidates at the initial stage through comprehensive due diligence work, including but not limited to, on-site visits, interviews with relevant product providers, and internet searches on background information, and draft due diligence reports on both the product providers and products. Upon receiving the preliminary-approval by the director of finance channel department, relevant due diligence reports are submitted to the compliance and risk control department and our senior management for further review and final approval. Our compliance and risk control department also regularly follows up the financial condition and results of operations of our selected product providers and the overall risk exposure of products we distribute for them in terms of composition of underlying asset classes, collateralization level and other key metrics. These reviews ensure us to constantly provide high-quality and low-risk products, provide guidance for subsequent product sourcing and selection, and enable us to align our product portfolio with the prevailing market condition in a timely fashion.

Product Development for Asset Management Services

We have an asset management department that is responsible for developing and managing fund products that we manage. To date, we have two categories of fund products under our management, namely FoF products and non-performing loan products. We have a stringent process in selecting fund managers for our underlying FoF assets. We require the fund managers that such fund managers make investment in accordance with our investment strategy and continuously monitor their investment decisions. The target product selection and approval procedures are similar with that of the third-party products discussed above. With respect to the non-performing loan products, we actively study the basic information of the underlying creditor’s rights, market value of the collateral, information of the debtor and the post-investment scheme of the cooperation party to make sure the risk level of such investment is appropriate.

Product Structuring to Comply with PRC Law

We structure our products to comply with PRC laws and regulations. For example, for certain privately raised fund products and asset management plans distributed as part of our wealth management services, we may collect distribution commission fees in the form of advisory service fees. In addition, in our asset management business, because we are in the process of applying for the license as a fund manager, we currently collaborate with licensed fund managers and structure our fund management services as advisory services to them. Under such arrangement, we source FoF candidates with proposals on investment strategies and targets, fund terms, risk control procedures, exit timing and strategies. We present such FoF candidates to licensed fund managers. To date, investment decisions made by such fund managers with respect of these funds have been consistent with our investment proposals.

Information Technology

We have developed our integrated IT infrastructure that provides technology support to all aspects of our business. Our IT infrastructure includes the following key functions and features:

- *Core apps*. We launched two core apps, Puyi Fund and Puyitou, which provide target clients products information and full-scope online transaction processing services including subscription, redemption, clearance and settlement, and allows clients to monitor their investment portfolio in a more convenient manner.

- *Customer service*. We have set up an online customer service system equipped with intelligent interactive tools to further enhance the quality and efficiency of our customer services.

- *Investment advisor platform*. We have developed a proprietary platform for investment advisors to manage clients, gain access to professional training and explore new business opportunities.

- *Database*. As data is the core of the financial services industry, we have launched an internal database and purchased GrowingIO behaviour analysis system and Microsoft BI analysis system to gather and analyse our business operation data, and reach more efficient business decisions.

- *Office automation*. We combine above custom-developed or commercially available business systems with our OA system, finance system and other internal back-end functions, to help us operate more efficiently.

Employees

We had 218 and 277 employees as of June 30, 2017 and 2018, respectively. The following table sets forth the number of our employees by function as of August 31, 2018:

Functional Area	Number of employees	% of total
Investment advisory	199	66.8
Management and administrative	44	14.7
Technical department	31	10.4
Financial advisory	8	2.7
Risk management	3	1.0
Asset management	13	4.4
Total	298	100.0

As required by PRC regulations, we participate in various employee social security plans that are organized by municipal and provincial governments, including pension, unemployment insurance, childbirth insurance, work-related injury insurance, medical insurance and housing insurance. We are required under PRC law to contribute to employee benefit plans at specified percentages of the salaries, bonuses and certain allowances of our employees, up to a maximum amount specified by local governments from time to time. We believe that we maintain a good working relationship with our employees, and we have not experienced any major labor disputes.

Facilities

Our principal executive offices are located on premises comprising approximately 977 square meters in Guangzhou, China. As of June 30, 2018, we have in aggregate 26 branches in Beijing, Zhongshan, Guangzhou, Jinan, Shijiazhuang, Jiaxing, Chengdu, Shenyang, Dongguan, Tianjin, Xi’an, Nanjing, Fuzhou, Deyang, Kunming, Hefei, Nanning and Chongqing with an aggregate floor area of approximately 4,955 square meters. We lease our premises from independent third parties. All of the lessors for the leased premises have valid title to the property. These leases vary in duration from one to eight years.

Competition

According to CIC, China's wealth management services industry is at an early stage of development and is currently highly fragmented. Traditionally, the wealth management services market in China was dominated by commercial banks, which rely on their own wealth management arms and sales forces to distribute their products. In recent years, there are growing number of new types of wealth management services provides in this market which are taking up increasing market shares, including online-based service providers, non-bank traditional financial institutions, and third-party wealth management service providers. As a wealth management service provider with growing asset management capabilities targeting such population segment, we compete with the following principal competitors on the basis of sales capabilities, product offerings and services capabilities:

- *Commercial banks*. Generally, commercial banks in China have advantages in terms of branch network and full license coverage for distribution. However, the banks are inherently conflicted because their main business is interest-based lending rather than a commission-based business such as wealth management service; therefore they typically do not offer personalized services and lack the independence in providing investment advice.

- *Online-based service providers*. Online-based service providers can attract a large client base through their online platforms. However, because they mainly provide automated recommendation and trading services, online-based service providers generally do not offer extensive personalized services that many investors need.

- *Non-bank traditional financial institutions*. Non-bank traditional financial institutions such as brokerages, trust companies and insurance companies have advantages on specific product types, particularly product types that they themselves have developed and manage (e.g. trust plans for trust companies). However, they are disadvantaged in terms of product choices, branch network and comprehensive client services, and more and more cooperate with banks and third-party wealth management service providers to distribute their products.

Intellectual Property

Our brand, trade names, trademarks, trade secrets, proprietary database and research reports and other intellectual property rights distinguish the products we distribute and our services from those of our competitors and contribute to our competitive advantage in the wealth management services industry. We rely on a combination of trademark and trade secret laws as well as confidentiality agreements and non-compete covenants with our employees and our third-party wealth management product providers. We also enter into confidentiality agreements with our seed clients. We have been granted for registered computer software copyrights to 27 pieces of computer software, and we have nine registered trademarks in China and seven registered domain names. The registrants of our domain names are Fanhua Puyi and Shenzhen Puyi Zhongxiang Information Technology Co., Ltd.

Insurance

We participate in government sponsored social security programs including pension, unemployment insurance, childbirth insurance, work-related injury insurance, medical insurance and housing insurance. We do not maintain business interruption insurance or key-man life insurance. We consider our insurance coverage to be in line with that of other wealth management companies of similar size in China.

Legal Proceedings

We may from time to time be involved in litigation and claims incidental to the conduct of our business. Our businesses are also subject to extensive regulation, which may result in regulatory proceedings against us.

We are not currently subject to any pending judicial, administrative or arbitration proceedings that we expect to have a material impact on our results of operations or financial condition. See "Risk Factors—Risks Related to Our Business and Industry—Any failure to protect our clients' privacy and confidential information could lead to legal liability, adversely affect our reputation and have a material adverse effect on our business, financial condition or results of operations." and "Risk Factors—Risks Related to Our Business and Industry—We may not be able to prevent unauthorized use of our intellectual property, which could reduce demand for our products and services, adversely affect our revenues and harm our competitive position."

REGULATION

PRC Regulations Relating to Wealth Management Services

Currently, the distribution of wealth management products, depending on types of products, is often subject to different sets of laws, regulations and rules. Our company is currently engaged in the distribution of publicly raised funds, privately raised funds, exchange administered funds, and asset management plans issued by securities companies.

Publicly Raised Funds

The distribution of publicly raised fund products is mainly subject to the Law of Securities Investment Fund of the PRC (2015 Amendment) (the "Law of Securities Funds"), issued by the Standing Committee of the National People's Congress ("SCNPC") on April 24, 2015 and effective on June 1, 2015. Pursuant to the Law of Securities Funds, the distribution of securities investment fund products shall be conducted by registered fund managers or licensed fund distributors. It requires fund distributors to fully disclose to potential investors the investment risks related to the fund products distributed, and to distribute such fund products based on the level of risk-taking abilities of the investors.

The distribution of publicly raised securities investment fund products is further regulated in detailed by the Measures of the Distribution of Securities Investments Funds (2013 Amendment) (the "Measures of the Distribution of Securities Funds"), promulgated by China Securities Regulatory Commission ("CSRC") on March 15, 2013 and effective on June 1, 2013. The Measures of Distribution of Securities Funds regulate many aspects of the business and participants of the distribution of securities investment funds, including the registration requirements of fund distributors, payment methods for fund distribution, requirements of the fund advertising materials, fees charged relating to fund distribution services, and other activities in the business of fund distribution. Fund distributors, pursuant to the Measures of the Distribution of Securities Funds, refer to fund managers, as well as other entities that have registered with, or recognized by, CSRC or its appointed institutions, such as independent fund distributors, commercial banks, securities companies, etc. In particular, an independent fund distributor shall register with local CSRC office where its local administration for industry and commerce locates. Without registration with and license from, or recognition of, CSRC, any entities or individuals shall not conduct fund distribution or other related businesses.

In addition, the Measures of the Distribution of Securities Funds set forth requirements for employees of independent fund distributions agencies. For an independent fund distributions agency to apply for the relevant license to conduct fund distribution business, its senior management personnel shall have obtained the certification of fund professionals, along with other qualifications and experiences. The number of employees who are qualified as fund professionals shall be not less than ten. The Measures of Distribution of Securities Funds also stipulate that the Asset Management Association of China ("AMAC") shall conduct self-disciplinary management of the business of fund distribution and manage the qualification process of fund distributors. Fund distributors and fund distribution services providers may join AMAC and be subject to its self-disciplinary rules.

Our company conduct the distribution of publicly raised funds through the subsidiary of our VIE, Fanhua Puyi, which obtained its License to Conduct Securities and Futures Business issued by CSRC first in 2013, and most recently renewed the License on March 9, 2017. With its license, Fanhua Puyi can conduct business in the distribution of fund products. Currently, the senior management of Fanhua Puyi has obtained the qualification of fund professionals, and it has total 124 qualified fund professionals. It is also an active member of the AMAC, whose current membership is valid through May 14, 2019.

Privately Raised Funds

Pursuant to the Notice on the Division of Regulatory Responsibilities for Privately Raised Investment Funds issued by the State Commission Office of Public Sectors Reform ("SCOPSR") on June 27, 2013, CSRC is in charge of the supervision and regulation of privately raised funds, including but not limited to, privately raised equity funds, privately raised securities investment funds, venture capital funds and other forms of privately raised funds including FoFs. While the Law of Securities Funds promulgated by SCNPC mainly regulates the activities of publicly raised securities investment funds, it provides some basic guidance for participants in the business of privately raised securities investment funds. Later, CSRC promulgated the Interim Measures for the Supervision and Administration of Privately Raised Investment Funds (the "Interim Measures for Private Funds") on June 30, 2014, which became effective on August 21, 2014. The Interim Measures for Private Funds set forth specific guidelines as to how privately raised fund products shall be managed and distributed by fund managers and fund distributors, requiring the market participants to establish certain measures in evaluating and disclosing risks related to the fund managed and/or distributed, further clarifying the self-disciplinary requirements for privately raised funds. In particular, the Interim Measures for Private Funds provide that once the fundraising process of privately raised funds is completed, a fund manager is required to file the relevant information of the fund product with the AMAC. Specifically, pursuant to the Administrative Measures on the Disclosure of Privately Raised Investment Fund Information adopted by the AMAC, the fund manager needs to submit such information through the online "Asset Management Business Electronic Registration System" of the AMAC, or the System. During the process of filling out the form of "Information on Fund Sales" on the System, the fund manager has to identify its sales model as either under direct sales or distribution on a commission basis, and select the name of the fund distributors, either the fund manager itself or a licensed independent fund distributor who has been recognized by the CSRC and the AMAC, from the drop-down list on the form. The fund manager is required to update any changes of such information timely.

Unlike the distribution of publicly raised funds, neither the Law of Securities Funds nor the Interim Measures for Private Funds requires fund distributor to obtain any license or permit in engaging such business. Such requirement was set out in the Measures of Administration of the Distribution Activities of Privately Raised Funds (the "Measures of Private Fund Distribution") issued by AMAC on April 15, 2016. However, rules relating to privately raised funds that are adopted by AMAC, such as the Measures of Private Fund Distribution, are generally self-disciplinary rules applicable to privately raised fund managers, and licensed fund distributors who have become members of AMAC. Pursuant to the Law of Securities Funds, distributors of privately raised funds may, but are not required to, join the AMAC. Accordingly, the current PRC laws and regulations do not require distributors of privately raised funds, such as the subsidiaries of our VIE, to be licensed in order to conduct such business.

In addition, unlike the distribution of publicly raised funds, the Law of Securities Funds requires that fund distributors shall only distribute privately raised fund products to qualified investors defined as investors with compatible capacities of risk identification and risk bearing, whose assets or incomes have reached certain level as required by the relevant regulations or rules and the subscription amount of the privately raised fund products is not less than the required minimum amount. The Law of Securities Funds also stipulates that the total number of qualified investors of a privately raised fund product shall not exceed two hundred. Further, as required by the Measures of Private Fund Distribution issued by the AMAC, fund distributors shall evaluate the qualifications of investors prior to the distribution of privately raised funds to ensure that only qualified investors subscribe to privately raised fund products.

Exchange Administered Funds

The distribution of exchange administered funds is currently regulated by the Decision Regarding Straightening out and Rectifying Various Types of Trading Venues to Effectively Prevent Financial Risks ("Document 38") and the Implementation Opinions on Straightening out and Rectifying Various Types of Trading Venues ("Document 37"), promulgated by the General Office of the State Council on November 11, 2011 and July 12, 2012, respectively. Both Document 38 and Document 37 stipulate that exchanges that are subject to the approval of the State Council or its administration department of finance for establishment, shall be regulated by the administration department of finance of the State Council; all other exchanges shall be regulated by the local People's Government at the provincial level, which in practice, are the offices of finance at municipal and provincial levels. Document 38 and Document 37 emphasize on the prohibitive activities relating to the issuance and distribution of exchange administered funds, for example, that the number of investors of exchange administered funds shall not exceed 200 accumulatively.

Asset Management Plans

Pursuant to the Measures for the Administration of Customer Asset Management Business of Securities Companies (2013 Revisions) (the "Measures for Asset Management Business"), promulgated by the CSRC on June 26, 2013 and effective on the same day, securities companies may by themselves, or authorize other securities companies, commercial banks or other institutions recognized by the CSRC to, distribute collective asset management plans. Institutions recognized by CSRC to conduct distribution of asset management plans include those being granted the fund distribution licenses by the CSRC. The Measures for Asset Management Business affirm that collective asset management plans shall be distributed only to qualified investors, the number of which shall not exceed 200. CSRC further regulates the collective asset management business and its participants by promulgating the Detailed Rules for the Implementation of the Collective Asset Management Business of Securities Companies (2013 Revisions) (the "Rules for Collective Asset Management Business") on June 26, 2013, which became effective on the same day. The Rules for Collective Asset Management Business specify how securities companies, and distribution institutions shall behave in distributing collective asset management plans.

PRC Regulations Relating to Asset Management Services

In terms of the management of privately raised funds, the Law of Securities Funds requires that any individual or institution, without registration, shall not conduct securities investment activities under the name of "funds" or "fund management". The Interim Measures for Private Funds further require that mangers of privately raised funds of any type shall apply for registration to the AMAC, and thus subject fund managers to the self-disciplinary rules issued by AMAC. Under CSRC's guidance, AMAC formulated the Measures for the Registration of Privately Raised Investment Fund Managers and Filling of Privately Raised Investment Funds (for Trial Implementation) (the "Trial Measures of Private Funds"), effective as of February 7, 2014, which, among other things, set forth the requirements related to the activities of privately raised fund managers. In addition, AMAC has released a serial of self-disciplinary rules since February 2016, regulating internal control, and information disclosure and registration of privately raised fund managers, including, among others, the Guidelines for Internal Control of Privately Raised Investment Manager, the Administrative Measures for Information Disclosure of Privately Raised Investment Fund, and the Announcement of Several Items for Further Regulating the Registration of Private Fund Managers, together, the "Administrative Measures of Private Funds." Pursuant to the Administrative Measures of Private Funds, privately raised fund managers shall complete the filing of privately raised fund products within the prescribed time; they shall timely report any materially changes, and submit quarter and annual reports and audited financial statements prior to the end of April each year. The Administrative Measures of Private Funds also set out requirements for the qualifications of the management of private fund management companies, and requirements to the formulation and implementation of internal control policies.

On August 30, 2017, the State Council circulated the draft Interim Measures on Administration of Privately-Raised Investment Funds (the "New Interim Measures for Private Funds") for comments, the commenting period of which ended in September 2017. Once enacted, the New Interim Measures of Private Funds will be the first set of regulation specialized in the privately raised funds. The New Interim Measures of Private Funds specify the basic requirements for private fund managers, their senior management, directing partners and authorized representatives, and the obligations of fund managers and trustees. The New Interim Measures also specify that privately raised fund managers shall raise funds themselves, or through fund distributors who are in compliance with the Law of Securities Funds and the requirements of regulatory authorities of the State Council regarding securities. If the New Interim Measures of Private Funds are adopted as it is, it is likely that privately raised fund distributors will be required to obtain license in order to distribute privately raised funds. However, there is no guarantee that the New Interim Measures, once officially adopted, will be the same as the current draft.

PRC Regulations Relating to Intellectual Property Rights

Copyrights

The PRC has enacted various laws and regulations relating to the protection of copyright. The Copyright Law of the PRC promulgated by SCNPC on September 7, 1990, amended on February 26, 2010 and effective on April 1, 2010, provides that any natural persons, legal persons, or other organizations of the PRC shall, regardless its publication status, enjoy copyright in their works, including, among others, works of literature, arts, natural science, social science, engineering technology, and computer software, and any infringement of such copyright shall be subject to relevant civil liabilities.

The Regulations on Computers Software Protection, which was promulgated by the State Council on June 4, 1991, amended on January 30, 2013 and effective on March 1, 2013, stipulates that any natural persons, legal persons, or other organizations of the PRC shall enjoy copyright in computer software that they developed, whether published or not, and such software copyright owner may register with the software registration institution recognized by the Copyright Administration Department of the State Council. Further, the Measures for the Registration of Computer Software Copyright, promulgated by the National Computer Software Copyright on February 20, 20001 with immediate effect, regulates registrations of software copyright, exclusive licensing contracts for software copyright and transfer contracts. The Copyright Protection Center of China is designated as the software registration authority, which grants registration certificates to the computer software copyright applicants to conform with both the Regulation on Computer Software Protection and the Measures for the Registration of Computers Software Copyrights.

The PRC is also a signatory to all of the world's major intellectual property conventions, including the Convention establishing the World Intellectual Property Organization, June 4, 1980; Paris Convention for the Protection of Industrial Property, March 19, 1985; Patent Cooperation Treaty, January 1, 1994; Agreement on Trade-Related Aspects of Intellectual Property Rights, November 11, 2001; WIPO Copyright Treaty, June 2007; and, WIPO Performances and Phonograms Treaty, June 2007.

Trademarks

Registered trademarks are protected under the Trademark Law of the PRC, promulgated by SCNPC on August 23, 1982, and last amended on August 30, 2013 and effective on May 1, 2014, and the Implementation Regulations of the Trademark Law of the PRC, promulgated by the State Council on August 3, 2002, and amended on April 29, 2014 and effective on May 1, 2014. Trademarks are registered with the Trademark Office of the State Administration for Industry and Commerce. Where registration is sought for a trademark that is identical or similar to another trademark that has already been registered or given preliminary examination and approval for use in the same or similar category of commodities or services, the application for registration of the former trademark could be rejected. Trademark registrations are effective for a renewable ten-year period, unless otherwise revoked.

Domain Names

The Ministry of Industry and Information Technology (the "MIIT") promulgated the Administration Measures of Internet Domain Names (the "Domain Name Measures") on August 24, 2017, which came into force on November 1, 2017. China Internet Network Information Center promulgated the Implementing Rules on Registration of Domain Names on May 28, 2012, which became effective on May 29, 2012, and the Measures on National Top Level Domain Name Disputes Resolution on September 9, 2014, which became effective on November 21, 2014. Pursuant to these laws, regulations, and administrative rules, domain names registrations are processed through domain names service agencies established under the relevant regulations, and applicants become domain name holders upon successful registration.

PRC Regulations Relating to Company Establishment and Foreign Investment

The establishment, operation and management of corporate entities in China is governed by the Company Law of the PRC (the "Company Law"). According to the Company Law, companies established in the PRC are either limited liability companies or joint stock limited liability companies. The Company Law applies to both PRC domestic companies and foreign-invested companies. The establishment procedures, approval procedures, registered capital requirements, foreign exchange matters, accounting practices, taxation and labor matters of a wholly foreign-owned enterprise are regulated by the Wholly Foreign-owned Enterprise Law of the PRC and the Implementation Regulation of the Wholly Foreign-owned Enterprise Law. According to these regulations, foreign-invested enterprises in the PRC may only pay dividends out of their accumulated profit, if any, determined in accordance with PRC accounting standards and regulations. A PRC company is required to set aside general reserves of at least 10% of its after-tax profit, until the cumulative amount of such reserves reaches 50% of its registered capital unless the provisions of laws regarding foreign investment provide otherwise. In addition, PRC companies may allocate a portion of their after-tax profits based on PRC accounting standards to employee welfare and bonus funds at their discretion. These reserves and employee welfare and bonus funds are not distributable as cash dividends. A PRC company may not distribute any profits until any losses from prior fiscal years have been offset. Profits retained from prior fiscal years may be distributed together with distributable profits from the current fiscal year.

In September 2016, the National People's Congress Standing Committee published its decision to revise the laws relating to wholly foreign-owned enterprises and other foreign-invested enterprises. Such decision, which became effective on October 1, 2016, changes the "filing or approval" procedure for foreign investments in China such that foreign investments in business sectors not subject to special administrative measures will only be required to complete a filing instead of the existing requirements to apply for approval. The special entry management measures shall be promulgated or approved to be promulgated by the State Council. Pursuant to a notice issued by NDRC and MOFCOM on October 8, 2016, the special entry management measures shall be implemented with reference to the relevant regulations as stipulated in the Catalogue of Industries for Guiding Foreign Investment in relation to the restricted foreign investment industries, prohibited foreign investment industries and encouraged foreign investment industries. Pursuant to the Provisional Administrative Measures on Establishment and Modifications Filing for Foreign Investment Enterprises promulgated by MOFCOM on October 8, 2016 and amended on June 29, 2018, establishment and changes of foreign investment enterprises not subject to the approval under the special entry management measures shall be filed with the relevant commerce authorities.

The Provisions on Guiding the Orientation of Foreign Investment, the 2017 revision of the Catalogue of Industries for Guiding Foreign Investment, and the 2018 Special Management Measures (Negative List) for the Access of Foreign Investment classify foreign investment projects into four categories: encouraged projects, permitted projects, restricted projects and prohibited projects. The purpose of these regulations is to direct foreign investment into certain priority industry sectors and restrict or prohibit investment in other sectors. If the industry sector in which the investment is to occur falls into the encouraged category, foreign investment can be conducted through the establishment of a wholly foreign-owned enterprise. If a restricted category, foreign investment may be conducted through the establishment of a wholly foreign-owned enterprise, provided certain requirements are met, and, in some cases, the establishment of a joint venture enterprise is required with varying minimum shareholdings for the Chinese party depending on the particular industry. If a prohibited category, foreign investment of any kind is not allowed. Any industry not falling into any of the encouraged, restricted or prohibited categories is classified as a permitted industry for foreign investment.

Additionally, in January 2015, MOFCOM published the Draft Foreign Investment Law soliciting the public's comments. Among other things, the Draft Foreign Investment Law expands the definition of foreign investment and introduces the principle of "actual control" in determining whether a company is considered a foreign-invested enterprise. "Control" is broadly defined in the Draft Foreign Investment Law to cover the following summarized categories: (i) holding 50% or more of the voting rights of the subject entity; (ii) holding less than 50% of the voting rights of the subject entity, but having the power to secure at least 50% of the seats on the board of directors or other equivalent decision-making bodies, or having the voting power to exert material influence over the board of directors, at the shareholders' meeting or over other equivalent decision-making bodies; or (iii) having the power to exert decisive influence, via contractual or trust arrangements, over the subject entity's operations, financial matters or other key aspects of business operations. The Draft Foreign Investment Law specifically provides that entities established in China, but ultimately "controlled" by foreign investors, will be treated as foreign-invested enterprises. If a foreign-invested enterprise proposes to conduct business in an industry subject to foreign investment restrictions, the foreign-invested enterprise must go through a market entry clearance by MOFCOM before being established.

According to the Draft Foreign Investment Law, VIEs would also be deemed as foreign-invested enterprises if they are ultimately "controlled" by foreign investors, and accordingly would be subject to restrictions on foreign investments. However, the Draft Foreign Investment Law does not address what actions will be taken with respect to the existing companies with a VIE structure. While, according to the 2018 Legislation Work Plan of the National People's Congress Standing Committee as adopted on December 14, 2017 and amended on April 17, 2018, the Draft Foreign Investment Law will be deliberated in December 2018, it is still uncertain when the Draft Foreign Investment Law will become a law, to what extent the final version will differ from the Draft Foreign Investment Law and the potential impact on companies employing a VIE structure in the PRC. When the Draft Foreign Investment Law becomes effective, the trio of existing laws regulating foreign investment in the PRC, namely, the Sino-foreign Equity Joint Venture Enterprise Law, the Sino-foreign Cooperative Joint Venture Enterprise Law and the Wholly Foreign-invested Enterprise Law, together with their implementation rules and ancillary regulations, will be abolished.

PRC Regulations Relating to Foreign Exchange

The principal regulations governing foreign currency exchange in China are the Foreign Exchange Administration Regulations, which were most recently amended in August 2008 and various regulations issued by the SAFE and other relevant PRC government authorities. Payments of current account items, such as profit distributions and trade and service-related foreign exchange transactions, can usually be made in foreign currencies without prior approval from SAFE by complying with certain procedural requirements. By contrast, approval from or registration with the SAFE or its local office is required where RMB capital is to be converted into foreign currency and remitted out of China to pay capital expenses, such as direct equity investments, loans and repatriation of investment. Unless otherwise being approved, PRC companies may not repatriate foreign currency payments received from abroad or retain the same abroad. Foreign-invested enterprises may retain foreign exchange in accounts with designated foreign exchange banks under the current account items subject to a cap set by the SAFE or its local office. Foreign exchange proceeds under the current accounts may be either retained or sold to a financial institution engaged in settlement and sale of foreign exchange pursuant to relevant SAFE rules and regulations. For foreign exchange proceeds under the capital accounts, approval from the SAFE is generally required for the retention or sale of such proceeds to a financial institution engaged in settlement and sale of foreign exchange.

From 2012, SAFE has promulgated several circulars to substantially amend and simplify the current foreign exchange procedure. Pursuant to these circulars, the opening of various special purpose foreign exchange accounts, the reinvestment of RMB proceeds by foreign investors in the PRC and remittance of foreign exchange profits and dividends by a foreign-invested enterprise to its foreign shareholders no longer require the approval or verification of SAFE. In addition, domestic companies are no longer limited to extend cross-border loans to their offshore subsidiaries but are also allowed to provide loans to their offshore parents and affiliates and multiple capital accounts for the same entity may be opened in different provinces. SAFE also promulgated the Circular on Printing and Distributing the Provisions on Foreign Exchange Administration over Domestic Direct Investment by Foreign Investors and the Supporting Documents in May 2013, which specifies that the administration by SAFE or its local branches over direct investment by foreign investors in the PRC shall be conducted by way of registration and banks shall process foreign exchange business relating to the direct investment in the PRC based on the registration information provided by SAFE and its branches. In February 2015, SAFE promulgated SAFE Circular 13, which took effect on June 1, 2015. SAFE Circular 13 delegates the power to enforce the foreign exchange registration in connection with inbound and outbound direct investments under relevant SAFE rules from local branches of SAFE to banks, thereby further simplifying the foreign exchange registration procedures for inbound and outbound direct investments.

SAFE promulgated the Notice of the State Administration of Foreign Exchange on Reforming the Administration of Foreign Exchange Settlement of Capital of Foreign-invested Enterprises (the "Circular 19"), effective on June 1, 2015, in replacement of SAFE Circular 142, the Circular on the Relevant Operating Issues Concerning the Improvement of the Administration of the Payment and Settlement of Foreign Currency Capital of Foreign-Invested Enterprises. According to Circular 19, the flow and use of the RMB capital converted from foreign currency-denominated registered capital of a foreign-invested company is regulated such that RMB capital may not be used for the issuance of RMB entrusted loans or the repayment of inter-enterprise loans or the repayment of banks loans that have been transferred to a third party. Although Circular 19 allows RMB capital converted from foreign currency-denominated registered capital of a foreign-invested enterprise to be used for equity investments within the PRC, it also reiterates the principle that RMB converted from the foreign currency-denominated capital of a foreign-invested company may not be directly or indirectly used for purposes beyond its business scope. Thus, it is unclear whether SAFE will permit such capital to be used for equity investments in the PRC in actual practice. SAFE promulgated the Notice of the State Administration of Foreign Exchange on Reforming and Standardizing the Foreign Exchange Settlement Management Policy of Capital Account (the "Circular 16"), effective on June 9, 2016, which reiterates some of the rules set forth in Circular 19, but changes the prohibition against using RMB capital converted from foreign currency-denominated registered capital of a foreign-invested company to issue RMB entrusted loans to a prohibition against using such capital to issue loans to non-associated enterprises. Violations of SAFE Circular 19 or Circular 16 could result in administrative penalties.

On January 26, 2017, SAFE issued the Notice of State Administration of Foreign Exchange on Improving the Check of Authenticity and Compliance to Further Promote Foreign Exchange Control (the "SAFE Circular 3"), which stipulates several capital control measures with respect to the outbound remittance of profit from domestic entities to offshore entities, including (i) under the principle of genuine transaction, banks shall check board resolutions regarding profit distribution, the original version of tax filing records and audited financial statements; and (ii) domestic entities shall hold income to account for previous years' losses before remitting the profits. Moreover, pursuant to SAFE Circular 3, domestic entities shall make detailed explanations of the sources of capital and utilization arrangements, and provide board resolutions, contracts and other proof when completing the registration procedures in connection with an outbound investment.

PRC Regulations Relating to Foreign Debt

We are an offshore holding company conducting operations in China through our WFOE and VIE and its subsidiaries, which are consolidated into our financial statements. As an offshore holding company, we may make additional capital contributions to our WFOE subject to approval from the local department of commerce and the SAFE regulations concerning foreign exchanges as discussed in "PRC Regulations Relating to Foreign Exchange," with no limitation on the amount of capital contributions. We may also make loans to WFOE and VIE subject to the approval from SAFE or its local office and the limitation of amount of loans.

By means of making loans, our WFOE and VIE are subject to the relevant PRC laws and regulation relating to foreign debts. On January 8, 2003, the NDRC, SAFE and Ministry of Finance jointly promulgated the Circular on the Interim Provisions on the Management of Foreign Debts ("Foreign Debts Provisions"), which became effective on March 1, 2003, and partially abolished on May 10, 2015. Pursuant to Foreign Debts Provisions, the total amount of foreign loans received by a foreign-invested company shall not exceed the surplus between the total investment in projects as approved by the Ministry of Commerce or its local counterpart and the amount of registered capital of such foreign-invested company. In addition, on January 12, 2017, the People's Bank of China (the "PBOC") issued the Circular on Matters Concerning the Macro-Prudential Management of Full-Covered Cross-Border Financing, or the PBOC Circular 9, which sets out the statutory upper limit on the foreign debts for PRC non-financial entities, including both foreign-invested companies and domestic-invested companies. Pursuant to PBOC Circular 9, the foreign debt upper limit for both foreign-invested companies and domestic-invested companies is calculated as twice the amount of the net asset of such companies. As to net assets, the companies shall take the net assets value stated in their latest audited financial statement.

The PBOC Circular 9 does not supersede the Foreign Debts Provisions. It provides a one-year transitional period from its promulgation date for foreign-invested companies, during which foreign-invested companies, such as our WFOE, could choose their calculation method of foreign debt upper limit based on either the Foreign Debts Provisions or the PBOC Circular 9. The transitional period ended on January 11, 2018. Upon its expiry, pursuant to the PBOC Circular 9, PBOC and SAFE shall reevaluate the calculation method for foreign-invested companies and determine what the applicable calculation method would be. However, as of the date of this prospectus, neither PBOC nor SAFE has issued any new regulations regarding the application calculation method of foreign debt upper limit for foreign-invested companies. In practice, the relevant authorities are likely to allow foreign-invested companies choose the calculation method either under the Foreign Debts Provisions or the PBOC Circular 9 until any new regulation is issued. On the other hand, for domestic-invested companies, such as our VIE, the calculation method of foreign debt upper limit based on the PBOC Circular 9 applies upon the effectiveness of PBOC Circular 9 regardless of the transitional period.

PRC Regulations Relating to Dividend Distribution

The principal regulations governing the distribution of dividends by foreign holding companies include the Company Law of China (1993), last amended on October 26, 2018, the Foreign Investment Enterprise Law (1986), as amended in 2000, and the Administrative Rules under the Foreign Investment Enterprise Law (1990), as amended respectively in 2001 and 2014. Under these regulations, wholly foreign-owned investment enterprises in China may pay dividends only out of their retained profits, if any, determined in accordance with Chinese accounting standards and regulations. In addition, wholly foreign-owned investment enterprises in China are required to allocate at least 10% of their respective retained profits each year, if any, to fund certain reserve funds unless these reserves have reached 50% of the registered capital of the enterprises. These reserves are not distributable as cash dividends, and a wholly foreign-owned enterprise is not permitted to distribute any profits until losses from prior fiscal years have been offset.

PRC Regulations Relating to Offshore Special Purpose Companies Held by PRC Residents

SAFE promulgated the Circular on Relevant Issues Relating to Domestic Resident's Investment and Financing and Roundtrip Investment through Special Purpose Vehicles (the "SAFE Circular 37") in July 2014 that requires PRC residents or entities to register with SAFE or its local branch in connection with their establishment or control of an offshore entity established for the purpose of overseas investment or financing. In addition, such PRC residents or entities must update their SAFE registrations when the offshore special purpose vehicle undergoes material events relating to any change of basic information (including change of such PRC citizens or residents, name and operation term), increases or decreases in investment amount, transfers or exchanges of shares, or mergers or divisions.

SAFE Circular 37 was issued to replace SAFE Circular 75 (the Notice on Relevant Issues Concerning Foreign Exchange Administration for PRC Residents Engaging in Financing and Round-trip Investments via Overseas Special Purpose Vehicles. SAFE further enacted the Notice on Further Simplifying and Improving the Foreign Exchange Management Policies for Direct Investment (the "SAFE Notice 13") effective from June 1, 2015, which allows PRC residents or entities to register with qualified banks in connection with their establishment or control of an offshore entity established for the purpose of overseas investment or financing. However, remedial registration applications made by PRC residents that previously failed to comply with the SAFE Circular 37 continue to fall under the jurisdiction of the relevant local branch of SAFE. In the event that a PRC shareholder holding interests in a special purpose vehicle fails to fulfill the required SAFE registration, the PRC subsidiaries of that special purpose vehicle may be prohibited from distributing profits to the offshore parent and from carrying out subsequent cross-border foreign exchange activities, and the special purpose vehicle may be restricted in its ability to contribute additional capital into its PRC subsidiary. Moreover, failure to comply with the various SAFE registration requirements described above could result in liability under PRC law for evasion of foreign exchange controls.

PRC Regulations Relating to Share Incentive Plan

On February 15, 2012, SAFE promulgated the Circular on Issues Concerning the Foreign Exchange Administration of PRC Residents Participating in Share Incentive Plans of Offshore Listed Companies, or the Offshore Share Incentive Plan Rules, replacing the previous rules issued by SAFE in March 2007. Under the Offshore Share Incentive Plan Rules and other relevant rules and regulations, PRC residents who participate in a share incentive plan in an overseas publicly-listed company are required to register with SAFE or its local branches and complete certain other procedures. Participants of a share incentive plan who are PRC residents must retain a qualified PRC agent, which could be a PRC subsidiary of the overseas publicly-listed company or another qualified institution selected by the PRC subsidiary, to conduct the SAFE registration and other procedures with respect to the share incentive plan on behalf of its participants. The participants must also retain an overseas entrusted institution to handle matters in connection with their exercise of stock options, the purchase and sale of corresponding stocks or interests and fund transfers. In addition, the PRC agent is required to amend the SAFE registration with respect to the share incentive plan if there is any material change to the share incentive plan, the PRC agent or the overseas entrusted institution or other material changes. The PRC agents must, on behalf of the PRC residents who have the right to exercise the employee share options, apply to SAFE or its local branches for an annual quota for the payment of foreign currencies in connection with the PRC residents' exercise of the employee share options. The foreign exchange proceeds received by PRC residents from the sale of shares under the share incentive plans granted and dividends distributed by overseas listed companies must be remitted into the bank accounts in the PRC opened by the PRC agents before distribution to such PRC residents. In addition, the SAFE Circular 37 provides that PRC residents who participate in a share incentive plan of an overseas unlisted special purpose company must register with SAFE or its local branches before exercising such rights.

PRC Regulations Relating to Tax

Enterprise Income Tax

Under the PRC Enterprise Income Tax Law, which was promulgated on March 16, 2007, became effective on January 1, 2008, and was last amended on February 24, 2017, and the Regulations on the Implementation of Enterprises Income Tax Law of the PRC was promulgated by the State Council on December 6, 2007 and became effective on January 1, 2008, together, the "EIT Laws," enterprises consist of resident enterprise and non-resident enterprise. An enterprise established inside the PRC or the one outside the PRC with "de facto management bodies" within the PRC is considered a "resident enterprise" for PRC enterprise income tax purposes and is generally subject to a uniform 25% enterprise income tax rate on its worldwide income. In 2009, the State Administrative of Taxation (the "SAT") issued the Notice Regarding the Determination of Chinese-Controlled Overseas Incorporated Enterprises as PRC Tax Resident Enterprise on the Basis of De Facto Management Bodies (the "SAT Circular 82"), which provides certain specific criteria for determining whether the "de facto management body" of a PRC-controlled enterprise that is incorporated offshore is located in China. Further to SAT Circular 82, in 2011 the SAT issued the Administrative Measures for Enterprise Income Tax of Chinese-Controlled Offshore Incorporated Resident Enterprises (Trial) (the "SAT Bulletin 45") to provide more guidance on the implementation of the SAT Circular 82.

According to the SAT Circular 82, an offshore incorporated enterprise controlled by a PRC enterprise or a PRC enterprise group will be considered a PRC resident enterprise by virtue of having its "de facto management body" in China and will be subject to PRC enterprise income tax on its worldwide income only if all of the following conditions are met: (a) the senior management and core management departments in charge of its daily operations function have their presence mainly in the PRC; (b) its financial and human resources decisions are subject to determination or approval by persons or bodies in the PRC; (c) its major assets, accounting books, company seals, and minutes and files of its board of directors and shareholders' meetings are located or kept in the PRC; and (d) more than half of the enterprise's directors or senior management with voting rights habitually reside in the PRC. Although the SAT Circular 82 and the SAT Bulletin 45 only apply to offshore-incorporated enterprises controlled by PRC enterprises or PRC enterprise groups and not those controlled by PRC individuals or foreigners, the determination criteria set forth therein may reflect the SAT's general position on how the term "de facto management body" could be applied in determining the tax resident status of offshore enterprises, regardless of whether they are controlled by PRC enterprises, individuals or foreigners. A PRC resident enterprise would have to pay a withholding tax at a rate of 10% when paying dividends to its non-PRC shareholders.

Pursuant to the Notice on Strengthening Administration of Enterprise Income Tax for Share Transfers by Non-PRC Resident Enterprises, or SAT Circular 698, issued by SAT in 2009 with retroactive effect from January 1, 2008, where a non-resident enterprise transfers the equity interests of a PRC resident enterprise indirectly by disposition of the equity interests of an overseas holding company, or an Indirect Transfer, and such overseas holding company is located in a tax jurisdiction that: (i) has an effective tax rate less than 12.5% or (ii) does not tax foreign income of its residents, the non-resident enterprise, being the transferor, shall report to the competent tax authority of the PRC resident enterprise this Indirect Transfer.

In February 2015, SAT issued a Public Notice Regarding Certain Corporate Income Tax Matters on Indirect Transfer of Properties by Non-Tax Resident Enterprises, or SAT Circular 7, which supersedes the rules with respect to the Indirect Transfer under SAT Circular 698, but does not touch upon the other provisions of SAT Circular 698, which remain in force. SAT Circular 7 extends its tax jurisdiction to not only Indirect Transfers set forth under SAT Circular 698 but also transactions involving transfer of other taxable assets through offshore transfer of a foreign intermediate holding company. In addition, SAT Circular 7 provides clearer criteria than SAT Circular 698 for assessment of reasonable commercial purposes and has introduced safe harbors for internal group restructurings and the purchase and sale of equity through a public securities market. SAT Circular 7 also brings challenges to both foreign transferor and transferee (or other person who is obligated to pay for the transfer) of taxable assets. Where a non-resident enterprise transfers taxable assets indirectly by disposing of the equity interests of an overseas holding company, which is an Indirect Transfer, the non-resident enterprise as either transferor or transferee, or the PRC entity that directly owns the taxable assets, may report such Indirect Transfer to the relevant tax authority. Using a "substance over form" principle, the PRC tax authority may disregard the existence of the overseas holding company if it lacks a reasonable commercial purpose and was established for the purpose of reducing, avoiding or deferring PRC tax. As a result, gains derived from such Indirect Transfer may be subject to PRC enterprise income tax, and the transferee or other person who is obligated to pay for the transfer is obligated to withhold the applicable taxes, currently at a rate of 10% for the transfer of equity interests in a PRC resident enterprise. Both the transferor and the transferee may be subject to penalties under PRC tax laws if the transferee fails to withhold the taxes and the transferor fails to pay the taxes.

In October 2017, SAT issued an Announcement on Issues Relating to Withholding at Source of Income Tax of Non-resident Enterprises, or SAT Circular 37, effective December 2017, which, among others, repealed the Circular 698 and amended certain provisions in SAT Circular 7. According to SAT Circular 37, where the non-resident enterprise fails to declare the tax payable pursuant to Article 39 of the Enterprise Income Tax, the tax authority may order it to pay the tax due within required time limits, and the non-resident enterprise shall declare and pay the tax payable within such time limits specified by the tax authority. However, if the non-resident enterprise voluntarily declares and pays the tax payable before the tax authority orders it to do so within required time limits, it shall be deemed that such enterprise has paid the tax in time.

Value-Added Tax

In November 2011, the Ministry of Finance and the SAT promulgated the Pilot Plan for Imposition of Value-Added Tax to Replace Business Tax. In March 2016, the Ministry of Finance and the SAT further promulgated the Notice on Fully Promoting the Pilot Plan for Replacing Business Tax by Value-Added Tax, which became effective on May 1, 2016.

Pursuant to the pilot plan and relevant notices, VAT is generally imposed in the modern service industries, including the VATs, on a nationwide basis. VAT of a rate of 6% applies to revenue derived from the provision of some modern services. Unlike business tax, a taxpayer is allowed to offset the qualified input VAT paid on taxable purchases against the output VAT chargeable on the modern services provided.

Tax Incentives

On April 14, 2008, the PRC Ministry of Science and Technology, the Ministry of Finance and SAT enacted the Administrative Measures for Certification of High and New Technology Enterprises ("Measures for High-Tech Enterprises"), which retroactively became effective on January 1, 2008. Under the EIT Law and the Measures for High-Tech Enterprises, certain qualified high-tech companies may benefit from a preferential tax rate of 15% if they own core intellectual properties and their business fall into certain industries that are strongly supported by the PRC government and recognized by certain departments of the State Council. Puyi Bohui was granted the high and new technology enterprise ("HNTE") qualification effective on December 8, 2016, for a term of three years. There can be no assurance, however, that Puyi Bohui will continue to meet the qualifications for such a reduced tax rate after its expiration, or the relevant governmental authorities will not revoke Puyi Bohui's qualification as a high and new technology enterprise in the future.

Pursuant to the Notice on Enterprise Income Tax Policies for Further Encouraging the Development of Software and Integrated Circuit Industries issued by the Ministry of Finance and the SAT on April 20, 2012, which retroactively became effective on January 1, 2011, and the Notice on the Relevant Issues Regarding Enterprises in Software and Integrated Circuit Industries issued by the Ministry of Finance, SAT, NDRC, and MIIT on May 4, 2016, retroactively effective on January 1, 2015, qualified software companies within the territory of PRC shall enjoy tax benefits for a term of five years starting the first year making profits prior to December 31, 2017. In particular, such qualified companies shall be exempted from the EIT for the first two years, and from the third to the fifth year till the expiry of the tax holiday, shall enjoy a reduced rate of half of the statutory EIT rate of 25%. Puyi Bohui was granted the Certification of Software Company on December 31, 2013, and was qualified for the tax benefits of software companies starting 2015. For the years of 2015 and 2016, Puyi Bohui was exempted from EIT, and starting January 1, 2017 to December 31, 2019, Puyi Bohui is qualified for the reduced tax rate of half of the statutory EIT rate of 25%. Upon the expiry of the term of such tax benefits, Puyi Bohui will not be able to renew or reapply for such tax benefits, unless otherwise provided by the relevant PRC laws and regulations. Furthermore, there can be no guarantee that the relevant governmental authorities will not revoke Puyi Bohui's qualification as a software company any time prior to the expiry of the term.

PRC Regulations Relating to Mergers and Acquisitions

On August 8, 2006, six PRC regulatory agencies, including the CSRC, promulgated the Regulations on Mergers and Acquisitions of Domestic Enterprises by Foreign Investors (the "M&A Rules"), which became effective on September 8, 2006 and were amended on June 22, 2009. The M&A Rules, among other things, require offshore special purpose vehicles formed for overseas listing purposes through acquisitions of PRC domestic companies and controlled by PRC domestic enterprises or individuals to obtain the approval of the CSRC prior to publicly listing their securities on an overseas stock exchange. On September 21, 2006, the CSRC published a notice specifying the documents and materials that are required to be submitted for obtaining CSRC approval.

The M&A Rules, and other recently adopted regulations and rules concerning mergers and acquisitions established additional procedures and requirements that could make merger and acquisition activities by foreign investors more time consuming and complex. For example, the M&A Rules require that MOFCOM be notified in advance of any change-of-control transaction in which a foreign investor takes control of a PRC domestic enterprise, if (i) any important industry is concerned, (ii) such transaction involves factors that impact or may impact national economic security, or (iii) such transaction will lead to a change in control of a domestic enterprise which holds a famous trademark or PRC time-honored brand.

Moreover, the Anti-Monopoly Law promulgated by the Standing Committee of the National People's Congress on August 30, 2007 and effective as of August 1, 2008 requires that transactions which are deemed concentrations and involve parties with specified turnover thresholds must be cleared by MOFCOM before they can be completed. In addition, on February 3, 2011, the General Office of the State Council promulgated a Notice on Establishing the Security Review System for Mergers and Acquisitions of Domestic Enterprises by Foreign Investors (the "Circular 6"), which officially established a security review system for mergers and acquisitions of domestic enterprises by foreign investors. Further, on August 25, 2011, MOFCOM promulgated the Regulations on Implementation of Security Review System for the Merger and Acquisition of Domestic Enterprises by Foreign Investors (the "MOFCOM Security Review Regulations"), which became effective on September 1, 2011, to implement Circular 6. Under Circular 6, a security review is required for mergers and acquisitions by foreign investors having "national defense and security" concerns and mergers and acquisitions by which foreign investors may acquire the "de facto control" of domestic enterprises with "national security" concerns. Under the MOFCOM Security Review Regulations, MOFCOM will focus on the substance and actual impact of the transaction when deciding whether a specific merger or acquisition is subject to security review. If MOFCOM decides that a specific merger or acquisition is subject to security review, it will submit it to the Inter-Ministerial Panel, an authority established under the Circular 6 led by NDRC and MOFCOM under the leadership of the State Council, to carry out the security review. The regulations prohibit foreign investors from bypassing the security review by structuring transactions through trusts, indirect investments, leases, loans, control through contractual arrangements or offshore transactions. There is no explicit provision or official interpretation stating that the merger or acquisition of a company engaged in the marketplace lending business requires security review.

Our PRC legal counsel, GFE Law Office, has advised us that, based on their understanding of the current PRC laws and regulations:

- we currently control our operating company by virtue of Puyi Consulting's contractual agreements with Puyi Bohui but not through equity interest acquisition nor asset acquisition which are stipulated in the New M&A Rule; and

- in spite of the above, CSRC currently has not issued any definitive rule or interpretation concerning whether offerings like ours under this prospectus are subject to this new procedure.

PRC Regulations Relating to Labor and Social Security

Pursuant to the PRC Labor Law, the PRC Labor Contract Law and the Implementing Regulations of the Employment Contracts Law, labor relationships between employers and employees must be executed in written form. Wages may not be lower than the local minimum wage. Employers must establish a system for labor safety and sanitation, strictly abide by state standards and provide relevant education to its employees. Employees are also required to work in safe and sanitary conditions.

On December 28, 2012, the PRC Labor Contract Law was amended with effect on July 1, 2013 to impose more stringent requirements on labor dispatch. Under such law, dispatched workers are entitled to pay equal to that of full-time employees for equal work, but the number of dispatched workers that an employer hires may not exceed a certain percentage of its total number of employees as determined by the Ministry of Human Resources and Social Security. Additionally, dispatched workers are only permitted to engage in temporary, auxiliary or substitute work. According to the Interim Provisions on Labor Dispatch promulgated by the Ministry of Human Resources and Social Security on January 24, 2014, which became effective on March 1, 2014, the number of dispatched workers hired by an employer shall not exceed 10% of the total number of its employees (including both directly hired employees and dispatched workers). The Interim Provisions on Labor Dispatch require employers not in compliance with the PRC Labor Contract Law in this regard to reduce the number of its dispatched workers to below 10% of the total number of its employees prior to March 1, 2016. In addition, an employer is not permitted to hire any new dispatched worker until the number of its dispatched workers has been reduced to below 10% of the total number of its employees.

Under PRC laws, rules and regulations, including the Social Insurance Law, the Interim Regulations on the Collection and Payment of Social Security Funds and the Regulations on the Administration of Housing Accumulation Funds, employers are required to contribute, on behalf of their employees, to a number of social security funds, including funds for basic pension insurance, unemployment insurance, basic medical insurance, occupational injury insurance, maternity leave insurance and housing accumulation funds. These payments are made to local administrative authorities and any employer who fails to contribute may be fined and ordered to pay the deficit amount.

MANAGEMENT

Directors and Executive Officers

The following table sets forth certain information relating to our directors and executive officers upon the closing of this offering:

Directors and Executive Officer	Age	Position/Title
Yu Haifeng	44	Chairman of the board, Chief Executive Officer
Hu Anlin	37	Director, Chief Financial Officer and Vice President
Hu Yinan	53	Director
Luo Jidong*	65	Independent Director Appointee
Zhang Jianjun*	61	Independent Director Appointee

* Each of Mr. Luo Jidong and Mr. Zhang Jianjun has agreed to accept our appointment to be a director of our company, effective upon the SEC's declaration of effectiveness of our registration statement on Form F-1, of which this prospectus is a part.

Yu Haifeng Mr. Yu has served as our chief executive officer and chairman of the board since our inception. Mr. Yu founded Fanhua Puyi in 2010 and served as Chief Executive Officer since then. Prior to found our company, Mr. Yu served as general manager at Fanhua Dongguan Jiayu Insurance Agency Co., Ltd. from 2001 to 2007. From May 2007 to January 2010, Mr. Yu served as Chief Operating Officer in CNFINANCE Holdings Limited (CNFH). Mr. Yu received his bachelor's degree in marketing from Zhengzhou University of Aeronautics in 1996. In July 2016, Mr. Yu was awarded as by "the 2016 China Economic Figure" by the China Economy for the Private Sector Prospective Forum Committee.

Hu Anlin Mr. Hu has served as our chief financial officer since July 2018 and our director since August 2018. Prior to joining us, Mr. Hu served as department vice president at Fanhua Inc. (NASDAQ: FANH) from September 2013 to June 2018 and successively served as financial manager, audit manager, department director and financial controller in this company from October 2001 to August 2013. Mr. Hu received his bachelor's degree in accounting from Zhengzhou University of Aeronautics in July 2001.

Hu Yinan Mr. Hu has been our director since August 2018. Mr. Hu has been the director of Fanhua Inc. (NASDAQ: CISG) since 1998 and has served as the chairman of the board of this company from 1998 to 2017. From 1998 to October 2011, Mr. Hu served as the chief executive officer of Fanhua Inc. From 1993 to 1998, Mr. Hu served as chairman of the board of directors of Guangdong Nanfeng Enterprises Co., Ltd., a company he co-founded that engaged in import and export, manufacturing of wooden doors and construction. From 1991 to 1995, Mr. Hu was an instructor of money and banking at Guangdong Institute for Managers in Finance and Trade. Mr. Hu received a bachelor's degree and a master's degree in economics from Southwestern University of Finance and Economics in China.

Luo Jidong Mr. Luo served as a member of the Standing Committee of the People's Political Consultative Conference of Guangdong Province, head of the Ethnic and Religious Affairs Committee of Guangdong Province and head of the Economic Committee of Guangdong Province from February 2013 and retired in February 2017. Mr. Luo served as the president of Guangdong Rural Credit Cooperative Union from August 2005 to May 2013. Mr. Luo served as the head of the Finance Office of the Government of Guangdong Province from January 2004 to July 2005. Mr. Luo served as the president of Guangzhou Branch of China Merchants Bank from December 1998 to December 2003. Mr. Luo served as the vice president of Guangzhou Branch of the People's Bank of China from November 1996 to December 1998. Mr. Luo joined Guiyang Branch of the People's Bank of China in January 1985 and served as the vice president of Guiyang Branch of the People's Bank of China from December 1990 to July 1995, and the president of Guiyang Branch of the People's Bank of China from July 1995 to November 1996. Mr. Luo worked at Guiyang Central Branch of the People's Bank of China from June 1970 to December 1984. Mr. Luo graduated from the special training program of finance for cadres in Southwestern University of Finance and Economics in 1984. Mr. Luo obtained a master's degree in economics from Southwestern University of Finance of Economics in 1996 and a PhD degree in economics from Southwestern University of Finance and Economics in 2010.

Zhang Jianjun Mr. Zhang served as the chief economist of Sanpower Group from March 2017 to February 2018. Mr. Zhang served as an economist of China Merchants Capital Investment Co., Ltd from January 2017 to February 2017. Mr. Zhang worked at the People's Bank of China from June 1995 to December 2016. During October 1996 to September 1997, Mr. Zhang attended training course at the Insurance College of New York and worked at Sumitomo Marine in New York. Mr. Zhang served as the vice president of Economic Department and the deputy director of the Institution of Economics of Hunan University of Finance and Economics from September 1992 to June 1995. Mr. Zhang served as an associate professor in Hunan University of Finance and Economics from July 1990 to September 1992. Mr. Zhang served as a lecturer and associate professor in Central South University of Technology from December 1984 to July 1990. Mr. Zhang received a bachelor's degree in economics from Central South University of Technology in 1981, a master's degree in economics from Central South University of Technology in 1985 and a PhD degree in economics from Wuhan University in 1993. Mr. Zhang visited University of Colorado, Boulder as a visiting scholar from November 1993 to April 1994.

Board of Directors

Our Board of Directors will consist of five directors, including two independent directors, upon the SEC's declaration of effectiveness of our registration statement on Form F-1, of which this prospectus is a part. A director may vote with respect to any contract, proposed contract or arrangement in which he is materially interested provided (a) such director, if his interest in such contract or arrangement is material, has declared the nature of his interest at the earliest meeting of the board at which it is practicable for him to do so, either specifically or by way of a general notice and (b) if such contract or arrangement is a transaction with a related party, such transaction has been approved by the audit committee. The [NASDAQ Global Market/New York Stock Exchange] corporate governance rules require that a majority of an issuer's board of directors must consist of independent directors. However, as a Cayman Islands company listed on the [NASDAQ Global Market/New York Stock Exchange], we are a foreign private issuer and are permitted to follow the home country practice with respect to certain corporate governance matters. Cayman Islands law does not require a majority of a publicly traded company's board of directors to be comprised of independent directors. We rely on this home country practice exception and do not have a majority of independent directors serving on our board of directors.

Our board of directors may exercise all the powers of our company to borrow money, mortgage its undertaking, property and uncalled capital, and issue debentures or other securities whenever money is borrowed or as security for any obligation of our company or of any third party. None of our non-executive directors has a service contract with us that provides for benefits upon termination of service.

Board Committee

Prior to the completion of this offering, we intend to establish an audit committee under the board of directors and to adopt a charter for the audit committee. Under [NASDAQ Global Market/New York Stock Exchange] standards, a listed company must have a compensation committee and a nominating/corporate governance committee composed only of independent directors. Cayman Islands does not require a publicly traded company to establish such committees. As a foreign private issuer, we intend to follow our home country practice and will not establish a compensation committee or a nominating/corporate governance committee.

Audit Committee. Our audit committee will consist of two independent directors, Mr. Luo Jidong and Mr. Zhang Jianjun. We intend to appoint Mr. Luo Jidong as chairman of our audit committee. We have determined that Mr. Luo Jidong and Mr. Zhang Jianjun satisfy the independence requirements of [Rule 5605(a)(2) of the Listing Rules of the Nasdaq Stock Market/Section 303A of the Corporate Governance Rules of the New York Stock Exchange] and the independence standards under Rule 10A-3 under the Securities Exchange Act of 1934, as amended. We have determined that Mr. Luo Jidong qualifies as an "audit committee financial expert" within the meaning of Item 407(d) of Regulation S-K under the Securities Act of 1933, as amended, to chair our audit committee prior to the completion of this offering. In addition, we intend to appoint a second independent director to our board of directors and audit committee within one year after our registration statement on Form F-1, of which this prospectus is a part, becomes effective. The audit committee oversees our accounting and financial reporting processes and the audits of the financial statements of our company. The audit committee is responsible for, among other things:

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

Duties of Directors

Under Cayman Islands law, our directors owe fiduciary duties to our company, including a duty to act honestly, and a duty to act in what they consider in good faith to be in our best interests. Our directors must also exercise their powers only for a proper purpose. Our directors also owe to our company a duty to act with skill and care. It was previously considered that a director need not exhibit in the performance of his duties a greater degree of skill than may reasonably be expected from a person of his knowledge and experience. However, English and Commonwealth courts have moved towards an objective standard with regard to the required skill and care and these authorities are likely to be followed in the Cayman Islands. In fulfilling their duty of care to our company, our directors must ensure compliance with our memorandum and articles of association, as amended and restated from time to time, and the rights vested thereunder in the holders of the shares. Our directors owe their fiduciary duties to our company and not to our company's individual shareholders, and it is our company which has the right to seek damages if a duty owed by our directors is breached. In limited exceptional circumstances, a shareholder may have the right to seek damages in our name if a duty owed by our directors is breached.

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

The functions and powers of our board of directors include, among others:

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

Terms of Directors and Officers

Our officers are elected by and serve at the discretion of the board of directors. Our directors are not subject to a term of office and hold office until such time as they are removed from office by ordinary resolution of the shareholders or by the board. A director will be removed from office automatically if, among other things, the director (i) becomes bankrupt or makes any arrangement or composition with his creditors; or (ii) is found by our company to be or becomes of unsound mind.

Limitation on Liability and Other Indemnification Matters

Cayman Islands law does not limit the extent to which a company's memorandum and articles of association may provide for indemnification of officers and directors, except to the extent any such provision may be held by the Cayman Islands courts to be contrary to public policy, such as to provide indemnification against civil fraud or the consequences of committing a crime. Our memorandum and articles of association permit indemnification of officers and directors for losses, damages, costs and expenses incurred in their capacities as such unless such losses or damages arise from dishonesty or fraud of such directors or officers. This standard of conduct is generally the same as permitted under the Delaware General Corporation Law for a Delaware corporation.

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

Compensation of Directors and Executive Officers

Our board of directors has not adopted or established a formal policy or procedure for determining the amount of compensation paid to our executive officers. Currently, our board of directors determines the compensation to be paid to our executive officers based on our financial and operating performance and prospects, and contributions made by the officers to our success. Each of our named executive officers are measured by a series of performance criteria by the board of directors, or the compensation committee on a yearly basis. Such criteria are set forth based on certain objective parameters such as job characteristics, required professionalism, management skills, interpersonal skills, related experience, personal performance and overall corporate performance. The board of directors will make an independent evaluation of appropriate compensation to key employees, with input from management. The board of directors has oversight of executive compensation plans, policies and programs.

For the fiscal year ended June 30, 2018, we paid an aggregate of approximately RMB0.8 million in cash to our executive officers, and we did not pay any compensation to our non-executive directors. We have not set aside or accrued any amount to provide pension, retirement or other similar benefits to our executive officers and directors. Our PRC subsidiary and our VIEs are required by law to make contributions equal to certain percentages of each employee's salary for his or her pension insurance, medical insurance, unemployment insurance, maternity insurance, on-the-job injury insurance, and housing fund plans through a PRC government-mandated defined contribution plan.

Employment Agreements

We have entered employment agreements with each of our executive officers, which generally provide for a term of three years, provided that either party may terminate the agreement on 60 days' notice before expiration of the initial term. Pursuant to the agreements, the executive officers are entitled to receive annual compensation and bonus approved by the board of the directors. The agreements also provide that the executive officers are to work a minimum of 40 hours per week.

Under applicable laws and regulations, there are some situations where we can terminate employment agreements without paying economic compensation, such as the employer maintains or raises the employment conditions but the employee refuses to accept the new employment agreement, when the employment agreement is scheduled to expire, the employee is retired in accordance with laws or the employee is dead, declared dead or has disappeared. For termination of employment in absence of legal cause we are obligated to pay the employee two-month's salary for each year we have employed the employee. We are, however, permitted to terminate an employee for cause without paying economic compensation, such as when the employee has committed a crime, being proved unqualified for recruitment during the probation period, seriously violating the rules and regulations of the employer, or the employee's actions or inactions have resulted in a material adverse effect to us.

Additionally, the employment agreements with executive officers provide for confidentiality and nondisclosure provisions, whereby the executive officers are required to keep trade secrets confidential during the course of their employment and for a period of 36 months following the termination of their employment. Such employment agreements also contain a non-compete clause for a duration of 24 months following their employment, which prohibited the executive officers render services to or for, directly or indirectly, our competitors.

2018 Share Incentive Plan

We plan to adopt the 2018 Share Incentive Plan to promote the success and enhance the value of our company prior to the SEC's declaration of effectiveness of our registration statement on Form F-1, which will become effective immediately prior to the completion of this offering. Under the 2018 Share Incentive Plan, or the 2018 Plan, the maximum aggregate number of ordinary shares available for issuance will be 16,806,720 ordinary shares, equal to 20% of the total outstanding ordinary shares if our company immediately prior to completion of this offering. As of the date of this prospectus, no share award has been granted under the 2018 Plan.

The following paragraphs describe the expected principal terms of the 2018 Plan:

Type of Awards. The plan permits the awards of options, restricted shares, restricted share units and other share awards that relate to our ordinary shares.

Plan Administration. Our board of directors or a committee of one or more members of the board of directors will administer the plan, provided that grants to directors and executive officers of our Company will be made by the full board. The committee or the board of directors, as applicable, will determine the participants to receive awards, the type and number of awards to be granted to each participant, and the terms and conditions of each grant. We refer to our board of directors or a designated committee plan administrator.

Award Agreement. Awards granted under the plan are evidenced by an award agreement that sets forth the terms, conditions and limitations for each award, which may include the term of the award, vesting schedule, the provisions applicable in the event that the grantee's employment or service terminates, and our authority to unilaterally or bilaterally amend, modify, suspend, cancel or rescind the award.

Eligibility. We may grant awards to our employees, consultants and directors, as determined and approved by the plan administrators.

Exercise of Options. Subject to applicable laws, the plan administrator determines the exercise price for each award, which is stated in the relevant award agreement. Options that are vested and exercisable will terminate if they are not exercised prior to the time as the plan administrator determines at the time of grant. However, the maximum exercisable term is ten years from the date of grant.

Transfer Restrictions. Awards may not be transferred in any manner by the participant other than in accordance with the exceptions provided in the plan or the relevant award agreement or otherwise determined by the plan administrator, such as transfers by will or the laws of descent and distribution.

Termination and Amendment of the Plan. Our board of directors has the authority to terminate, amend, suspend or modify the plan in accordance with our articles of association and subject to applicable laws. However, without the prior written consent of the participant, no such action may adversely affect in any material way any award previously granted pursuant to the plan.

RELATED PARTY TRANSACTIONS

Contractual Arrangements with Our Variable Interest Entity and its Shareholders

PRC laws and regulations currently restrict foreign ownership and investment in business of management of corporate privately raised funds in China. As a result, we operate our relevant business through our variable interest entities and their subsidiaries based on a series of contractual arrangements. See "Corporate History and Structure—Contractual Arrangements."

Private Placements

See "Description of Share Capital — History of Securities Issuances".

Employment Agreements and Indemnification Agreements

See "Management – Employment Agreements and "Management – Limitation on Liability and Other Indemnification Matters".

Share Incentive Plans

See "Management—2018 Share Incentive Plan."

Other Transactions with Related Parties

Historically we provided short-term loans to Renshou Xinrui Enterprise Management Center LLP, or Renshou Xinrui, and Shenzhen Chuang Jia Investment LLP, or Shenzhen Chuang Jia, for the purpose of business operation. Renshou Xinrui and Shenzhen Chuang Jia are ultimately held by Mr. Yu Haifeng, our chairman and chief executive officer. As of June 30, 2017, the aggregate amount due from these two parties was RMB85.9 million, which was fully paid off in June 2018.

We provided advance to Mr. Yu Haifeng, our chairman and chief executive officer, for operational purposes as of June 30, 2018. The outstanding amount as of June 30, 2018 was RMB80,000. All such advance has been fully settled in July 2018.

Amounts due to Renshou Xinrui were nil as of June 30, 2017. Amounts due to Renshou Xinrui were RMB2.1 million as of June 30, 2018. Such amounts represent the payment for acquisition of equity interest previously held by Renshou Xinrui in Puyi Bohui. The full balance has been settled in July 2018.

For the year ended June 30, 2017, we paid social insurance and housing fund on behalf of Guangdong Jintaiping Asset Management Services Co., Ltd., or Jintaiping. Mr. Yu Haifeng was the legal representative of Jintaiping before July 14, 2017. The aggregate amount was RMB188,250 and was fully settled in June 2018.

All of the abovementioned loans and advances were unsecured, interest-free and payable on demand.

PRINCIPAL SHAREHOLDERS

The following tables set forth certain information with respect to the beneficial ownership of our ordinary shares as of the date of this prospectus, and as adjusted to reflect the sale of the ordinary shares offered by us in our initial public offering, for:

- each shareholder known by us to be the beneficial owner of more than 5% of our outstanding ordinary shares; and
- each of our directors and executive officers;

We have determined beneficial ownership in accordance with the rules of the SEC, which generally define beneficial ownership to include any shares over which a person exercises sole or shared voting or investment power. Such determination is not necessarily indicative of beneficial ownership for any other purpose. Except as indicated by the footnotes below, we believe, based on the information furnished to us, that the persons and entities named in the table below have sole voting and investment power or the power to receive the economic benefit with respect to all ordinary shares that they beneficially own, subject to applicable community property laws. None of the shareholders listed in the table are a broker-dealer or an affiliate of a broker dealer. None of the shareholders listed in the table are located in the United States.

Applicable percentage ownership prior to the offering is based on 84,033,600 ordinary shares outstanding as of the date of this filing. The table also lists the percentage ownership after this offering based on ordinary shares outstanding immediately after the completion of this offering, assuming no exercise of the underwriter's option to purchase additional ordinary shares from us in this offering. Unless otherwise indicated, the address of each beneficial owner listed in the table below is 42F, Pearl River Tower, No. 15 Zhujiang West Road, Zhujiang New Town, Tianhe, Guangzhou, Guangdong Province, 510620, PRC.

	Beneficial Ownership Prior to Offering[1]		**Beneficial Ownership After Offering [2]**	
Name of Beneficial Owner	**Ordinary Shares**	**%**	**Ordinary Shares**	**%**
Directors and executive officers:				
Yu Haifeng[3]	79,232,000	94.3		
Hu Anlin	-	-		
Hu Yinan	-	-		
Principal Shareholders:				
Worldwide Success Group Limited[4]	40,240,500	47.9		
Winter Dazzle Limited[5]	12,559,500	14.9		
Danica Surge Limited[6]	13,600,000	16.2		
Advance Tycoon Limited[7]	12,832,000	15.3		

(1) For each person and entity included in this column, percentage ownership is calculated by dividing the number of ordinary shares beneficially owned by such person or entity by the sum of total number of ordinary shares outstanding, which is 84,033,600 ordinary shares as of the date of this prospectus, and the number of shares such person or entity has the right to acquire within 60 days after the date of this prospectus.

(2) For each person and entity included in this column, the percentage of voting rights is calculated by dividing the number of ordinary shares beneficially owned by such person or entity by, being the total number of ordinary shares outstanding immediately after the completion of this offering.

(3) Represents (i) 40,240,500 ordinary shares held through Worldwide Success Group Limited. Worldwide Success Group Limited is a limited liability company incorporated in the British Virgin Islands and is wholly owned by Mr. Yu Haifeng; (ii) 12,559,500 ordinary shares held by Winter Dazzle Limited, a limited liability company incorporated in the British Virgin Islands. Winter Dazzle Limited is wholly owned by Speed Fortune Holdings Limited, a limited liability company incorporated in the British Virgin Islands. Mr. Yu is the sole director of Speed Fortune Holdings Limited and contractually controls the sole voting power of all ordinary shares indirectly held by Speed Fortune Holdings Limited through Winter Dazzle Limited; (ii) 13,600,000 ordinary shares held by Danica Surge Limited, a limited liability company incorporated in the British Virgin Islands. Danica Surge Limited is wholly owned by Fine Tranquil Limited, a limited liability company incorporated in the British Virgin Islands. Mr. Yu is the sole director of Fine Tranquil Limited and contractually controls the sole voting power of all ordinary shares indirectly held by Fine Tranquil Limited through Danica Surge Limited; (iv) 12,832,000 ordinary shares held by Advance Tycoon Limited, a limited liability company incorporated in the British Virgin Islands. Advance Tycoon Limited is wholly owned by Altamonte Ridge Limited, a limited liability company incorporated in the British Virgin Islands. Mr. Yu is the sole director of Altamonte Ridge Limited and contractually controls the sole voting power of all ordinary shares indirectly held by Altamonte Ridge Limited through Advance Tycoon Limited.

(4) Represents 40,240,500 ordinary shares. Worldwide Success Group Limited is a limited liability company incorporated in the British Virgin Islands and is wholly owned by Mr. Yu Haifeng. The registered address of Worldwide Success Group Limited is OMC Chambers, Wickhams Cay 1, Road Town, Tortola, British Virgin Islands.

(5) Represents 12,559,500 ordinary shares. Winter Dazzle Limited is a limited liability company incorporated in the British Virgin Islands and is wholly owned by Speed Fortune Holdings Limited, a limited liability company incorporated in the British Virgin Islands. Mr. Yu is the sole director of Speed Fortune Holdings Limited and contractually controls the sole voting power of all ordinary shares indirectly held by Speed Fortune Holdings Limited through Winter Dazzle Limited. The disposal of ordinary shares held by Winter Dazzle Limited are decided by 66 individuals including 13 employees, who are founders of Puyi Bohui and entrusted their equity interest in Puyi Bohui to Mr. Yu, and each holds the disposal power with respect of the shares held. Mr. Yu and the 66 individuals are deemed as the beneficial owners of ordinary shares held by Winter Dazzle Limited. The registered address of Winter Dazzle Limited is Vistra Corporate Services Centre, Wickhams Cay Ⅱ, Road Town, Tortola, VG1110, British Virgin Islands.

(6) Represents 13,600,000 ordinary shares. Danica Surge Limited is a limited liability company incorporated in the British Virgin Islands and is wholly owned by Fine Tranquil Limited, a limited liability company incorporated in the British Virgin Islands. Mr. Yu is the sole director of Fine Tranquil Limited and contractually controls the sole voting power of all ordinary shares indirectly held by Fine Tranquil Limited through Danica Surge Limited. The disposal of ordinary shares held by Danica Surge Limited are decided by 66 individuals including nine employees, who are founders of Puyi Bohui and entrusted their equity interest in Puyi Bohui to Mr. Yu, and each holds the disposal power with respect of the shares held. Mr. Yu and the 66 individuals are deemed as the beneficial owners of ordinary shares held by Danica Surge Limited. The registered address of Danica Surge Limited is Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, British Virgin Islands.

(7) Represents 12,832,000 ordinary shares. Advance Tycoon Limited is a limited liability company incorporated in the British Virgin Islands and is wholly owned by Altamonte Ridge Limited, a limited liability company incorporated in the British Virgin Islands. Mr. Yu is the sole director of Altamonte Ridge Limited and contractually controls the sole voting power of all ordinary shares indirectly held by Altamonte Ridge Limited through Advance Tycoon Limited. The disposal of ordinary shares held by Advance Tycoon Limited is are decided by 65 individuals including 13 employees, who are founders of Puyi Bohui and entrusted their equity interest in Puyi Bohui to Mr. Yu, and each holds the disposal power with respect of the shares held. Mr. Yu and the 65 individuals are deemed as the beneficial owners of ordinary shares held by Advance Tycoon Limited. The registered address of Advance Tycoon Limited is Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, British Virgin Islands.

As of the date of this prospectus, we are not aware of any arrangement that may, at a subsequent date, result in a change of control of our company. See “Description of Share Capital—History of Securities Issuances” for a description of issuances of our ordinary shares that have resulted in significant changes in ownership held by our major shareholders during the past three years.

DESCRIPTION OF SHARE CAPITAL

We are a Cayman Islands company and our affairs are governed by our memorandum and articles of association and the Companies Law ([2018 Revision]) of the Cayman Islands, which we refer to as the Companies Law below.

As of the date of this prospectus, our authorized share capital is $2,000,000 divided into 2,000,000,000 shares, par value of $0.001 each. Immediately prior to the completion of this offering, there will be ordinary shares outstanding.

Our Post-Offering Memorandum and Articles

We will adopt an amended and restated memorandum and articles of association, which will become effective and replace our current eighth amended and restated memorandum and articles of association in its entirety immediately prior to the completion of this offering. The following are summaries of material provisions of the post-offering amended and restated memorandum and articles of association that we expect to adopt and of the Companies Law, insofar as they relate to the material terms of our ordinary shares.

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

Ordinary Shares. Our ordinary shares are issued in registered form and are issued when registered in our register of members. We may not issue shares to bearer. Our shareholders who are non-residents of the Cayman Islands may freely hold and vote their shares.

Dividends. The holders of our ordinary shares are entitled to such dividends as may be declared by our board of directors. Under the laws of the Cayman Islands, our company may declare and pay a dividend out of either profit or share premium account, provided that in no circumstances may a dividend be paid if this would result in our company being unable to pay its debts as they fall due in the ordinary course of business.

Voting rights. Holders of our ordinary shares have the right to receive notice of, attend, speak and vote at general meetings of our company. At any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands, unless a poll is (before or on the declaration of the result of the show of hands) demanded by the chairman.

A quorum required for a meeting of shareholders consists of one or more shareholders holding not less than one-third of all paid up voting share capital of our company present in person or by proxy or, if a corporation or other non-natural person, by its duly authorized representative. Advance notice of at least ten calendar days is required for the convening of our annual general meeting and other shareholders meetings.

An ordinary resolution to be passed at a meeting by the shareholders requires the affirmative vote of a simple majority of the votes attaching to the ordinary shares cast at a meeting. A special resolution requires the affirmative vote of no less than two-thirds of the votes cast attaching to the outstanding shares at a meeting. Both ordinary resolutions and special resolutions may also be passed by a unanimous written resolution signed by all the shareholders of our company, as permitted by the Companies Law and our post-offering amended and restated memorandum and articles of association. A special resolution will be required for important matters such as a change of name or making changes that will affect the rights, preferences, privileges or powers of the preferred shareholders.

General Meetings of Shareholders. As a Cayman Islands exempted company, we are not obliged by the Companies Law to call shareholders' annual general meetings. Our post-offering memorandum and articles of association provide that we may (but are not obliged to) in each year hold a general meeting as our annual general meeting in which case we shall specify the meeting as such in the notices calling it, and the annual general meeting shall be held at such time and place as may be determined by our directors.

Shareholders' general meetings may be convened by the chairman or a majority of our board of directors. Advance notice of at least ten (10) calendar days is required for the convening of our annual general shareholders' meeting (if any) and any other general meeting of our shareholders. A quorum required for any general meeting of shareholders consists of at least one shareholder present or by proxy, representing not less than one-third of all votes attaching to all of our shares in issue and entitled to vote.

The Companies Law provides shareholders with only limited rights to requisition a general meeting, and does not provide shareholders with any right to put any proposal before a general meeting. However, these rights may be provided in a company's articles of association. Our post-offering memorandum and articles of association provide that upon the requisition of shareholders representing in aggregate not less than one-third of the votes attaching to the outstanding shares of our company entitled to vote at general meetings, our board will convene an extraordinary general meeting and put the resolutions so requisitioned to a vote at such meeting. However, our post offering memorandum and articles of association do not provide our shareholders with any right to put any proposals before annual general meetings or extraordinary general meetings not called by such shareholders.

Transfer of Ordinary Shares. Subject to the restrictions set out below, any of our shareholders may transfer all or any of his or her ordinary shares by an instrument of transfer in writing, and shall be executed by or on behalf of the transferor, and if the directors so requires, signed by the transferee.

Our board of directors may, in its absolute discretion, decline to register any transfer of any ordinary share which is not fully paid up or on which we have a lien. Our board of directors may also decline to register any transfer of any ordinary share unless:

- the instrument of transfer is lodged with us, accompanied by the certificate for the ordinary shares to which it relates and such other evidence as our board of directors may reasonably require to show the right of the transferor to make the transfer;
- the instrument of transfer is in respect of only one class of ordinary shares;
- in the case of a transfer to joint holders, the number of joint holders to whom the ordinary share is to be transferred does not exceed four; and
- a fee of such maximum sum as the [Nasdaq Global Market/New York Stock Exchange] may determine to be payable or such lesser sum as our directors may from time to time require is paid to us in respect thereof.

If our directors refuse to register a transfer they shall, within three months after the date on which the instrument of transfer was lodged, send to each of the transferor and the transferee notice of such refusal.

The registration of transfers may, after compliance with any notice required of the [Nasdaq Stock Market/New York Stock Exchange], be suspended and the register closed at such times and for such periods as our board of directors may from time to time determine, provided, however, that the registration of transfers shall not be suspended nor the register closed for more than 30 days in any year as our board may determine.

Liquidation. On the winding up of our company, if the assets available for distribution amongst our shareholders shall be more than sufficient to repay the whole of the share capital at the commencement of the winding up, the surplus shall be distributed amongst our shareholders in proportion to the par value of the shares held by them at the commencement of the winding up, subject to a deduction from those shares in respect of which there are monies due, of all monies payable to our company for unpaid calls or otherwise. If our assets available for distribution are insufficient to repay all of the paid-up capital, the assets will be distributed so that the losses are borne by our shareholders in proportion to the par value of the shares held by them.

Calls on Shares and Forfeiture of Shares. Our board of directors may from time to time make calls upon shareholders for any amounts unpaid on their shares in a notice served to such shareholders at least 14 days prior to the specified time of payment. The shares that have been called upon and remain unpaid are subject to forfeiture.

Redemption, Repurchase and Surrender of Shares. We may issue shares on terms that such shares are subject to redemption, at our option or at the option of the holders of these shares, on such terms and in such manner as may be determined by our board of directors, or by the shareholders by special resolutions. Our Company may also repurchase any of our shares on such terms and in such manner as have been approved by our board of directors or by an ordinary resolution of our shareholders. Under the Companies Law, the redemption or repurchase of any share may be paid out of our Company's profits or out of the proceeds of a new issue of shares made for the purpose of such redemption or repurchase, or out of capital (including share premium account and capital redemption reserve) if our company can, immediately following such payment, pay its debts as they fall due in the ordinary course of business. In addition, under the Companies Law no such share may be redeemed or repurchased (a) unless it is fully paid up, (b) if such redemption or repurchase would result in there being no shares outstanding or (c) if the company has commenced liquidation. In addition, our company may accept the surrender of any fully paid share for no consideration.

Variations of Rights of Shares. If at any time, our share capital is divided into different classes of shares, the rights attached to any class of shares (unless otherwise provided by the terms of issue of the shares of that class), whether or not our company is being wound-up, may be varied with the consent in writing of the holders of two-thirds of the issued shares of that class or with the sanction of a resolution passed at a separate meeting of the holders of the shares of the class by the holders of two-thirds of the issued shares of that class. The rights conferred upon the holders of the shares of any class issued shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking *pari passu* with such existing class of shares.

Issuance of Additional Shares. Our post-offering amended and restated memorandum of association authorizes our board of directors to issue additional ordinary shares from time to time as our board of directors shall determine, to the extent of available authorized but unissued shares.

Our post-offering amended and restated memorandum of association also authorizes our board of directors to establish from time to time one or more series of preference shares and to determine, with respect to any series of preference shares, the terms and rights of that series, including:

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

Our board of directors may issue preference shares without action by our shareholders to the extent authorized but unissued. Issuance of these shares may dilute the voting power of holders of ordinary shares.

Inspection of Books and Records. Holders of our ordinary shares will have no general right under Cayman Islands law to inspect or obtain copies of our list of shareholders or our corporate records. However, we will provide our shareholders with annual audited financial statements. See "Where You Can Find Additional Information."

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

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

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

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

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

"Limited liability" means that the liability of each shareholder is limited to the amount unpaid by the shareholder on the shares of the company.

Differences in Corporate Law

The Companies Law is modeled after that of England but does not follow recent English statutory enactments and differs from laws applicable to U.S. corporations and their shareholders. Set forth below is a summary of the significant differences between the provisions of the Companies Law applicable to us and the laws applicable to companies incorporated in the United States and their shareholders.

Mergers and Similar Arrangements. The Companies Law permits mergers and consolidations between Cayman Islands companies and between Cayman Islands companies and non-Cayman Islands companies. For these purposes, (a) "merger" means the merging of two or more constituent companies and the vesting of their undertaking, property and liabilities in one of such companies as the surviving company, and (b) a "consolidation" means the combination of two or more constituent companies into a consolidated company and the vesting of the undertaking, property and liabilities of such companies to the consolidated company. In order to effect such a merger or consolidation, the directors of each constituent company must approve a written plan of merger or consolidation, which must then be authorized by (a) a special resolution of the shareholders of each constituent company, and (b) such other authorization, if any, as may be specified in such constituent company's articles of association. The plan must be filed with the Registrar of Companies of the Cayman Islands together with a declaration as to the solvency of the consolidated or surviving company, a list of the assets and liabilities of each constituent company and an undertaking that a copy of the certificate of merger or consolidation will be given to the members and creditors of each constituent company and that notification of the merger or consolidation will be published in the Cayman Islands Gazette. Court approval is not required for a merger or consolidation which is effected in compliance with these statutory procedures.

A merger between a Cayman parent company and its Cayman subsidiary or subsidiaries does not require authorization by a resolution of shareholders of that Cayman subsidiary if a copy of the plan of merger is given to every member of that Cayman subsidiary to be merged unless that member agrees otherwise. For this purpose a company is a "parent" of a subsidiary if it holds issued shares that together represent at least 90% of the votes at a general meeting of the subsidiary.

The consent of each holder of a fixed or floating security interest over a constituent company is required unless this requirement is waived by a court in the Cayman Islands.

Save in certain limited circumstances, a shareholder of a Cayman constituent company who dissents from the merger or consolidation is entitled to payment of the fair value of his shares (which, if not agreed between the parties, will be determined by the Cayman Islands court) upon dissenting to the merger or consolidation, provide the dissenting shareholder complies strictly with the procedures set out in the Companies Law. The exercise of dissenter rights will preclude the exercise by the dissenting shareholder of any other rights to which he or she might otherwise be entitled by virtue of holding shares, save for the right to seek relief on the grounds that the merger or consolidation is void or unlawful.

Separate from the statutory provisions relating to mergers and consolidations, the Companies Law also contains statutory provisions that facilitate the reconstruction and amalgamation of companies by way of schemes of arrangement, provided that the arrangement is approved by a majority in number of each class of shareholders and creditors with whom the arrangement is to be made, and who must in addition represent three-fourths in value of each such class of shareholders or creditors, as the case may be, that are present and voting either in person or by proxy at a meeting, or meetings, convened for that purpose. The convening of the meetings and subsequently the arrangement must be sanctioned by the Grand Court of the Cayman Islands. While a dissenting shareholder has the right to express to the court the view that the transaction ought not to be approved, the court can be expected to approve the arrangement if it determines that:

- the statutory provisions as to the required majority vote have been met;
- the shareholders have been fairly represented at the meeting in question and the statutory majority are acting bona fide without coercion of the minority to promote interests adverse to those of the class;
- the arrangement is such that may be reasonably approved by an intelligent and honest man of that class acting in respect of his interest; and
- the arrangement is not one that would more properly be sanctioned under some other provision of the Companies Law.

The Companies Law also contains a statutory power of compulsory acquisition which may facilitate the "squeeze out" of dissentient minority shareholder upon a tender offer. When a tender offer is made and accepted by holders of 90% of the shares affected within four months, the offeror may, within a two-month period commencing on the expiration of such four month period, require the holders of the remaining shares to transfer such shares to the offeror on the terms of the offer. An objection can be made to the Grand Court of the Cayman Islands but this is unlikely to succeed in the case of an offer which has been so approved unless there is evidence of fraud, bad faith or collusion.

If an arrangement and reconstruction is thus approved, or if a tender offer is made and accepted, a dissenting shareholder would have no rights comparable to appraisal rights, save that objectors to a takeover offer may apply to the Grand Court of the Cayman Islands for various orders that the Grand Court of the Cayman Islands has a broad discretion to make, which would otherwise ordinarily be available to dissenting shareholders of Delaware corporations, providing rights to receive payment in cash for the judicially determined value of the shares.

Shareholders' Suits. In principle, we will normally be the proper plaintiff and as a general rule a derivative action may not be brought by a minority shareholder. However, based on English authorities, which would in all likelihood be of persuasive authority in the Cayman Islands, there are exceptions to the foregoing principle, including when:

- a company acts or proposes to act illegally or ultra vires;
- the act complained of, although not ultra vires, could only be effected duly if authorized by more than a simple majority vote that has not been obtained; and
- those who control the company are perpetrating a "fraud on the minority."

Indemnification of Directors and Executive Officers and Limitation of Liability. Cayman Islands law does not limit the extent to which a company's memorandum and articles of association may provide for indemnification of officers and directors, except to the extent any such provision may be held by the Cayman Islands courts to be contrary to public policy, such as to provide indemnification against civil fraud or the consequences of committing a crime. Our post-offering amended and restated memorandum and articles of association permit indemnification of officers and directors for losses, damages, costs and expenses incurred in their capacities as such unless such losses or damages arise from dishonesty or fraud of such directors or officers. This standard of conduct is generally the same as permitted under the Delaware General Corporation Law for a Delaware corporation.

In addition, we have entered into indemnification agreements with our directors and executive officers that provide such persons with additional indemnification beyond that provided in our post-offering amended and restated memorandum and articles of association.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to our directors, officers or persons controlling us under the foregoing provisions, we have been informed that in the opinion of the SEC, such indemnification is against public policy as expressed in the Securities Act and is therefore unenforceable.

Directors' Fiduciary Duties. Under Delaware corporate law, a director of a Delaware corporation has a fiduciary duty to the corporation and its shareholders. This duty has two components: the duty of care and the duty of loyalty. The duty of care requires that a director act in good faith, with the care that an ordinarily prudent person would exercise under similar circumstances. Under this duty, a director must inform himself of, and disclose to shareholders, all material information reasonably available regarding a significant transaction. The duty of loyalty requires that a director acts in a manner he reasonably believes to be in the best interests of the corporation. He must not use his corporate position for personal gain or advantage. This duty prohibits self-dealing by a director and mandates that the best interest of the corporation and its shareholders take precedence over any interest possessed by a director, officer or controlling shareholder and not shared by the shareholders generally. In general, actions of a director are presumed to have been made on an informed basis, in good faith and in the honest belief that the action taken was in the best interests of the corporation. However, this presumption may be rebutted by evidence of a breach of one of the fiduciary duties. Should such evidence be presented concerning a transaction by a director, the director must prove the procedural fairness of the transaction, and that the transaction was of fair value to the corporation.

As a matter of Cayman Islands law, a director of a Cayman Islands company is in the position of a fiduciary with respect to the company and therefore it is considered that he owes the following duties to the company—a duty to act bona fide in the best interests of the company, a duty not to make a profit based on his position as director (unless the company permits him to do so) and a duty not to put himself in a position where the interests of the company conflict with his personal interest or his duty to a third party. A director of a Cayman Islands company owes to the company a duty to act with skill and care. It was previously considered that a director need not exhibit in the performance of his duties a greater degree of skill than may reasonably be expected from a person of his knowledge and experience. However, English and Commonwealth courts have moved towards an objective standard with regard to the required skill and care and these authorities are likely to be followed in the Cayman Islands.

Shareholder Action by Written Consent. Under the Delaware General Corporation Law, a corporation may eliminate the right of shareholders to act by written consent by amendment to its certificate of incorporation. Cayman Islands law and our post-offering amended and restated articles of association provide that shareholders may approve corporate matters by way of a unanimous written resolution signed by or on behalf of each shareholder who would have been entitled to vote on such matter at a general meeting without a meeting being held.

Shareholder Proposals. Under the Delaware General Corporation Law, a shareholder has the right to put any proposal before the annual meeting of shareholders, provided it complies with the notice provisions in the governing documents. A special meeting may be called by the board of directors or any other person authorized to do so in the governing documents, but shareholders may be precluded from calling special meetings.

The Companies Law provide shareholders with only limited rights to requisition a general meeting, and does not provide shareholders with any right to put any proposal before a general meeting. However, these rights may be provided in a company's articles of association. Our post-offering amended and restated articles of association allow our shareholders holding in aggregate not less than one-third of all votes attaching to the outstanding shares of our company entitled to vote at general meetings to requisition an extraordinary general meeting of our shareholders, in which case our board is obliged to convene an extraordinary general meeting and to put the resolutions so requisitioned to a vote at such meeting. Other than this right to requisition a shareholders' meeting, our post-offering amended and restated articles of association do not provide our shareholders with any other right to put proposals before annual general meetings or extraordinary general meetings. As an exempted Cayman Islands company, we are not obliged by law to call shareholders' annual general meetings.

Cumulative Voting. Under the Delaware General Corporation Law, cumulative voting for elections of directors is not permitted unless the corporation's certificate of incorporation specifically provides for it. Cumulative voting potentially facilitates the representation of minority shareholders on a board of directors since it permits the minority shareholder to cast all the votes to which the shareholder is entitled on a single director, which increases the shareholder's voting power with respect to electing such director. There are no prohibitions in relation to cumulative voting under the laws of the Cayman Islands but our post-offering amended and restated articles of association do not provide for cumulative voting. As a result, our shareholders are not afforded any less protections or rights on this issue than shareholders of a Delaware corporation.

Removal of Directors. Under the Delaware General Corporation Law, a director of a corporation with a classified board may be removed only for cause with the approval of a majority of the outstanding shares entitled to vote, unless the certificate of incorporation provides otherwise. Under our post-offering amended and restated articles of association, directors may be removed with or without cause, by an ordinary resolution of our shareholders.

Transactions with Interested Shareholders. The Delaware General Corporation Law contains a business combination statute applicable to Delaware corporations whereby, unless the corporation has specifically elected not to be governed by such statute by amendment to its certificate of incorporation, it is prohibited from engaging in certain business combinations with an "interested shareholder" for three years following the date that such person becomes an interested shareholder. An interested shareholder generally is a person or a group who or which owns or owned 15% or more of the target's outstanding voting share within the past three years. This has the effect of limiting the ability of a potential acquirer to make a two-tiered bid for the target in which all shareholders would not be treated equally. The statute does not apply if, among other things, prior to the date on which such shareholder becomes an interested shareholder, the board of directors approves either the business combination or the transaction which resulted in the person becoming an interested shareholder. This encourages any potential acquirer of a Delaware corporation to negotiate the terms of any acquisition transaction with the target's board of directors.

Cayman Islands law has no comparable statute. As a result, we cannot avail ourselves of the types of protections afforded by the Delaware business combination statute. However, although Cayman Islands law does not regulate transactions between a company and its significant shareholders, it does provide that such transactions must be entered into bona fide in the best interests of the company and not with the effect of constituting a fraud on the minority shareholders.

Dissolution; Winding up. Under the Delaware General Corporation Law, unless the board of directors approves the proposal to dissolve, dissolution must be approved by shareholders holding 100% of the total voting power of the corporation. Only if the dissolution is initiated by the board of directors may it be approved by a simple majority of the corporation's outstanding shares. Delaware law allows a Delaware corporation to include in its certificate of incorporation a supermajority voting requirement in connection with dissolutions initiated by the board.

Under Cayman Islands law, a company may be wound up by either an order of the courts of the Cayman Islands or by a special resolution of its members or, if the company is unable to pay its debts as they fall due, by an ordinary resolution of its members. The court has authority to order winding up in a number of specified circumstances including where it is, in the opinion of the court, just and equitable to do so. Under the Companies Law and our post-offering amended and restated articles of association, our company may be dissolved, liquidated or wound up by a special resolution of our shareholders.

Variation of Rights of Shares. Under the Delaware General Corporation Law, a corporation may vary the rights of a class of shares with the approval of a majority of the outstanding shares of such class, unless the certificate of incorporation provides otherwise. Under Cayman Islands law and our post-offering amended and restated articles of association, if our share capital is divided into more than one class of shares, we may vary the rights attached to any class with the written consent of the holders of a majority of the issued shares of that class or with the sanction of a special resolution passed at a general meeting of the holders of the shares of that class.

Amendment of Governing Documents. Under the Delaware General Corporation Law, a corporation's governing documents may be amended with the approval of a majority of the outstanding shares entitled to vote, unless the certificate of incorporation provides otherwise. As permitted by Cayman Islands law, our post-offering amended and restated memorandum and articles of association may only be amended with a special resolution of our shareholders.

Rights of Non-resident or Foreign Shareholders. There are no limitations imposed by our post-offering amended and restated memorandum and articles of association on the rights of non-resident or foreign shareholders to hold or exercise voting rights on our shares. In addition, there are no provisions in our post-offering amended and restated memorandum and articles of association governing the ownership threshold above which shareholder ownership must be disclosed.

History of Securities Issuances

The following is a summary of our securities issuances in the past three years.

On August 6, 2018, we issued 79,232,000 ordinary shares to Worldwide Success Group Limited for consideration of US$79,232.

On August 6, 2018, we issued 768,000 ordinary shares to Future One Holdings Limited for consideration of US$768.

On September 5, 2018, we issued 4,033,600 ordinary shares to Fanhua Inc. for consideration of US$1,468,976.80.

DESCRIPTION OF AMERICAN DEPOSITARY SHARES

American Depositary Shares

Deutsche Bank Trust Company Americas, as depositary, will register and deliver the ADSs. Each ADS will represent ownership of ordinary shares, deposited with Deutsche Bank AG, Hong Kong Branch, as custodian for the depositary. Each ADS will also represent ownership of any other securities, cash or other property which may be held by the depositary. The depositary's corporate trust office at which the ADSs will be administered is located at 60 Wall Street, New York, NY 10005, USA. The principal executive office of the depositary is located at 60 Wall Street, New York, NY 10005, USA.

The Direct Registration System, or DRS, is a system administered by The Depository Trust Company, or DTC, pursuant to which the depositary may register the ownership of uncertificated ADSs, which ownership shall be evidenced by periodic statements issued by the depositary to the ADS holders entitled thereto.

We will not treat ADS holders as our shareholders and accordingly, you, as an ADS holder, will not have shareholder rights. Cayman Islands law governs shareholder rights. The depositary will be the holder of the ordinary shares underlying your ADSs. As a holder of ADSs, you will have ADS holder rights. A deposit agreement among us, the depositary and you, as an ADS holder, and the beneficial owners of ADSs sets out ADS holder rights as well as the rights and obligations of the depositary. The laws of the State of New York govern the deposit agreement and the ADSs. See "— Jurisdiction and Arbitration."

The following is a summary of the material provisions of the deposit agreement. For more complete information, you should read the entire deposit agreement and the form of American Depositary Receipt. For directions on how to obtain copies of those documents, see "Where You Can Find Additional Information."

Holding the ADSs

How will you hold your ADSs?

You may hold ADSs either (1) directly (a) by having an American Depositary Receipt, or ADR, which is a certificate evidencing a specific number of ADSs, registered in your name, or (b) by holding ADSs in DRS, or (2) indirectly through your broker or other financial institution. If you hold ADSs directly, you are an ADS holder. This description assumes you hold your ADSs directly. ADSs will be issued through DRS, unless you specifically request certificated ADRs. If you hold the ADSs indirectly, you must rely on the procedures of your broker or other financial institution to assert the rights of ADS holders described in this section. You should consult with your broker or financial institution to find out what those procedures are.

Dividends and Other Distributions

How will you receive dividends and other distributions on the shares?

The depositary has agreed to pay to you the cash dividends or other distributions it or the custodian receives on ordinary shares or other deposited securities, after deducting its fees and expenses. You will receive these distributions in proportion to the number of ordinary shares your ADSs represent as of the record date (which will be as close as practicable to the record date for our ordinary shares) set by the depositary with respect to the ADSs.

- ***Cash.*** The depositary will convert or cause to be converted any cash dividend or other cash distribution we pay on the ordinary shares or any net proceeds from the sale of any ordinary shares, rights, securities or other entitlements under the terms of the deposit agreement into U.S. dollars if it can do so on a practicable basis, and can transfer the U.S. dollars to the United States and will distribute promptly the amount thus received. If the depositary shall determine in its judgment that such conversions or transfers are not practical or lawful or if any government approval or license is needed and cannot be obtained at a reasonable cost within a reasonable period or otherwise sought, the deposit agreement allows the depositary to distribute the foreign currency only to those ADS holders to whom it is possible to do so. It will hold or cause the custodian to hold the foreign currency it cannot convert for the account of the ADS holders who have not been paid and such funds will be held for the respective accounts of the ADS holders. It will not invest the foreign currency and it will not be liable for any interest for the respective accounts of the ADS holders.

- Before making a distribution, any taxes or other governmental charges, together with fees and expenses of the depositary, that must be paid, will be deducted. See "Taxation." It will distribute only whole U.S. dollars and cents and will round down fractional cents to the nearest whole cent. *If the exchange rates fluctuate during a time when the depositary cannot convert the foreign currency, you may lose some or all of the value of the distribution.*

- ***Shares.*** For any ordinary shares we distribute as a dividend or free distribution, either (1) the depositary will distribute additional ADSs representing such ordinary shares or (2) existing ADSs as of the applicable record date will represent rights and interests in the additional ordinary shares distributed, to the extent reasonably practicable and permissible under law, in either case, net of applicable fees, charges and expenses incurred by the depositary and taxes and/or other governmental charges. The depositary will only distribute whole ADSs. It will try to sell ordinary shares which would require it to deliver a fractional ADS and distribute the net proceeds in the same way as it does with cash. The depositary may sell a portion of the distributed ordinary shares sufficient to pay its fees and expenses, and any taxes and governmental charges, in connection with that distribution.

- ***Elective Distributions in Cash or Shares.*** If we offer holders of our ordinary shares the option to receive dividends in either cash or shares, the depositary, after consultation with us and having received timely notice as described in the deposit agreement of such elective distribution by us, has discretion to determine to what extent such elective distribution will be made available to you as a holder of the ADSs. We must timely first instruct the depositary to make such elective distribution available to you and furnish it with satisfactory evidence that it is legal to do so. The depositary could decide it is not legal or reasonably practicable to make such elective distribution available to you. In such case, the depositary shall, on the basis of the same determination as is made in respect of the ordinary shares for which no election is made, distribute either cash in the same way as it does in a cash distribution, or additional ADSs representing ordinary shares in the same way as it does in a share distribution. The depositary is not obligated to make available to you a method to receive the elective dividend in shares rather than in ADSs. There can be no assurance that you will be given the opportunity to receive elective distributions on the same terms and conditions as the holders of ordinary shares.

- ***Rights to Purchase Additional Shares.*** If we offer holders of our ordinary shares any rights to subscribe for additional shares, the depositary shall having received timely notice as described in the deposit agreement of such distribution by us, consult with us, and we must determine whether it is lawful and reasonably practicable to make these rights available to you. We must first instruct the depositary to make such rights available to you and furnish the depositary with satisfactory evidence that it is legal to do so. If the depositary decides it is not legal or reasonably practicable to make the rights available but that it is lawful and reasonably practicable to sell the rights, the depositary will endeavor to sell the rights and in a riskless principal capacity or otherwise, at such place and upon such terms (including public or private sale) as it may deem proper distribute the net proceeds in the same way as it does with cash.

  The depositary will allow rights that are not distributed or sold to lapse. In that case, you will receive no value for them. If the depositary makes rights available to you, it will establish procedures to distribute such rights and enable you to exercise the rights upon your payment of applicable fees, charges and expenses incurred by the depositary and taxes and/or other governmental charges. The Depositary shall not be obliged to make available to you a method to exercise such rights to subscribe for ordinary shares (rather than ADSs).

  U.S. securities laws may restrict transfers and cancellation of the ADSs represented by shares purchased upon exercise of rights. For example, you may not be able to trade these ADSs freely in the United States. In this case, the depositary may deliver restricted depositary shares that have the same terms as the ADSs described in this section except for changes needed to put the necessary restrictions in place.

There can be no assurance that you will be given the opportunity to exercise rights on the same terms and conditions as the holders of ordinary shares or be able to exercise such rights.

- ***Other Distributions.*** Subject to receipt of timely notice, as described in the deposit agreement, from us with the request to make any such distribution available to you, and provided the depositary has determined such distribution is lawful and reasonably practicable and feasible and in accordance with the terms of the deposit agreement, the depositary will distribute to you anything else we distribute on deposited securities by any means it may deem practicable, upon your payment of applicable fees, charges and expenses incurred by the depositary and taxes and/or other governmental charges. If any of the conditions above are not met, the depositary will endeavor to sell, or cause to be sold, what we distributed and distribute the net proceeds in the same way as it does with cash; or, if it is unable to sell such property, the depositary may dispose of such property in any way it deems reasonably practicable under the circumstances for nominal or no consideration, such that you may have no rights to or arising from such property.

The depositary is not responsible if it decides that it is unlawful or impractical to make a distribution available to any ADS holders. We have no obligation to register ADSs, shares, rights or other securities under the Securities Act. We also have no obligation to take any other action to permit the distribution of ADSs, shares, rights or anything else to ADS holders. This means that you may not receive the distributions we make on our shares or any value for them if we and/or the depositary determines that it is illegal or not practicable for us or the depositary to make them available to you.

Deposit, Withdrawal and Cancellation

How are ADSs issued?

The depositary will deliver ADSs if you or your broker deposit ordinary shares or evidence of rights to receive ordinary shares with the custodian. Upon payment of its fees and expenses and of any taxes or charges, such as stamp taxes or stock transfer taxes or fees, the depositary will register the appropriate number of ADSs in the names you request and will deliver the ADSs to or upon the order of the person or persons entitled thereto.

[Except for ordinary shares deposited by us in connection with this offering, no shares will be accepted for deposit during a period of 180 days after the date of this prospectus. The 180-day lock up period is subject to adjustment under certain circumstances as described in the section entitled “Shares Eligible for Future Sales—Lock-up Agreements.”]

How do ADS holders cancel an American Depositary Share?

You may turn in your ADSs at the depositary’s corporate trust office or by providing appropriate instructions to your broker. Upon payment of its fees and expenses and of any taxes or charges, such as stamp taxes or stock transfer taxes or fees, the depositary will deliver the ordinary shares and any other deposited securities underlying the ADSs to you or a person you designate at the office of the custodian. Or, at your request, risk and expense, the depositary will deliver the deposited securities at its corporate trust office, to the extent permitted by law.

How do ADS holders interchange between Certificated ADSs and Uncertificated ADSs?

You may surrender your ADR to the depositary for the purpose of exchanging your ADR for uncertificated ADSs. The depositary will cancel that ADR and will send you a statement confirming that you are the owner of uncertificated ADSs. Alternatively, upon receipt by the depositary of a proper instruction from a holder of uncertificated ADSs requesting the exchange of uncertificated ADSs for certificated ADSs, the depositary will execute and deliver to you an ADR evidencing those ADSs.

Voting Rights

How do you vote?

You may instruct the depositary to vote the ordinary shares or other deposited securities underlying your ADSs at any meeting at which you are entitled to vote pursuant to any applicable law, the provisions of our memorandum and articles of association, and the provisions of or governing the deposited securities. Otherwise, you could exercise your right to vote directly if you withdraw the ordinary shares. However, you may not know about the meeting sufficiently enough in advance to withdraw the ordinary shares.

If we ask for your instructions and upon timely notice from us by regular, ordinary mail delivery, or by electronic transmission, as described in the deposit agreement, the depositary will notify you of the upcoming meeting at which you are entitled to vote pursuant to any applicable law, the provisions of our memorandum and articles of association, and the provisions of or governing the deposited securities, and arrange to deliver our voting materials to you. The materials will include or reproduce (a) such notice of meeting or solicitation of consents or proxies; (b) a statement that the ADS holders at the close of business on the ADS record date will be entitled, subject to any applicable law, the provisions of our memorandum and articles of association, and the provisions of or governing the deposited securities, to instruct the depositary as to the exercise of the voting rights, if any, pertaining to the ordinary shares or other deposited securities represented by such holder's ADSs; and (c) a brief statement as to the manner in which such instructions may be given to the depositary or deemed given in accordance with the second to last sentence of this paragraph if no instruction is received to the depositary to give a discretionary proxy to a person designated by us. Voting instructions may be given only in respect of a number of ADSs representing an integral number of ordinary shares or other deposited securities. For instructions to be valid, the depositary must receive them in writing on or before the date specified. The depositary will try, as far as practical, subject to applicable law and the provisions of our memorandum and articles of association, to vote or to have its agents vote the ordinary shares or other deposited securities (in person or by proxy) as you instruct. The depositary will only vote or attempt to vote as you instruct. If we timely requested the depositary to solicit your instructions but no instructions are received by the depositary from an owner with respect to any of the deposited securities represented by the ADSs of that owner on or before the date established by the depositary for such purpose, the depositary shall deem that owner to have instructed the depositary to give a discretionary proxy to a person designated by us with respect to such deposited securities, and the depositary shall give a discretionary proxy to a person designated by us to vote such deposited securities. However, no such instruction shall be deemed given and no such discretionary proxy shall be given with respect to any matter if we inform the depositary we do not wish such proxy given, substantial opposition exists or the matter materially and adversely affects the rights of holders of the ordinary shares.

We cannot assure you that you will receive the voting materials in time to ensure that you can instruct the depositary to vote the ordinary shares underlying your ADSs. In addition, there can be no assurance that ADS holders and beneficial owners generally, or any holder or beneficial owner in particular, will be given the opportunity to vote or cause the custodian to vote on the same terms and conditions as the holders of our ordinary shares.

The depositary and its agents are not responsible for failing to carry out voting instructions or for the manner of carrying out voting instructions. This means that you may not be able to exercise your right to vote and you may have no recourse if the ordinary shares underlying your ADSs are not voted as you requested.

In order to give you a reasonable opportunity to instruct the depositary as to the exercise of voting rights relating to deposited securities, if we request the depositary to act, we will give the depositary notice of any such meeting and details concerning the matters to be voted at least 30 business days in advance of the meeting date.

Compliance with Regulations

Information Requests

Each ADS holder and beneficial owner shall (a) provide such information as we or the depositary may request pursuant to law, including, without limitation, relevant Cayman Islands law, any applicable law of the United States of America, our memorandum and articles of association, any resolutions of our Board of Directors adopted pursuant to such memorandum and articles of association, the requirements of any markets or exchanges upon which the ordinary shares, ADSs or ADRs are listed or traded, or to any requirements of any electronic book-entry system by which the ADSs or ADRs may be transferred, regarding the capacity in which they own or owned ADRs, the identity of any other persons then or previously interested in such ADRs and the nature of such interest, and any other applicable matters, and (b) be bound by and subject to applicable provisions of the laws of the Cayman Islands, our memorandum and articles of association, and the requirements of any markets or exchanges upon which the ADSs, ADRs or ordinary shares are listed or traded, or pursuant to any requirements of any electronic book-entry system by which the ADSs, ADRs or ordinary shares may be transferred, to the same extent as if such ADS holder or beneficial owner held ordinary shares directly, in each case irrespective of whether or not they are ADS holders or beneficial owners at the time such request is made.

Disclosure of Interests

Each ADS holder and beneficial owner shall comply with our requests pursuant to Cayman Islands law, the rules and requirements of the New York Stock Exchange and any other stock exchange on which the ordinary shares are, or will be, registered, traded or listed or our memorandum and articles of association, which requests are made to provide information, inter alia, as to the capacity in which such ADS holder or beneficial owner owns ADS and regarding the identity of any other person interested in such ADS and the nature of such interest and various other matters, whether or not they are ADS holders or beneficial owners at the time of such requests.

Fees and Expenses

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

Service	**Fees**	
● To any person to which ADSs are issued or to any person to which a distribution is made in respect of ADS distributions pursuant to stock dividends or other free distributions of stock, bonus distributions, stock splits or other distributions (except where converted to cash)	Up to $ issued	per ADS
● Cancellation of ADSs, including the case of termination of the deposit agreement	Up to $	per ADS
● Distribution of cash dividends	Up to $	per ADS
● Distribution of cash entitlements (other than cash dividends) and/or cash proceeds from the sale of rights, securities and other entitlements	Up to $	per ADS
● Distribution of ADSs pursuant to exercise of rights	Up to $	per ADS
● Distribution of securities other than ADSs or rights to purchase additional ADSs	Up to $	per ADS
● Depositary services	Up to $	per ADS

As an ADS holder, you will also be responsible to pay certain fees and expenses incurred by the depositary bank and certain taxes and governmental charges (in addition to any applicable fees, expenses, taxes and other governmental charges payable on the deposited securities represented by any of your ADSs) such as:

- Fees for the transfer and registration of ordinary shares charged by the registrar and transfer agent for the ordinary shares in the Cayman Islands (i.e., upon deposit and withdrawal of ordinary shares).
- Expenses incurred for converting foreign currency into U.S. dollars.
- Expenses for cable, telex and fax transmissions and for delivery of securities.
- Taxes and duties upon the transfer of securities, including any applicable stamp duties, any stock transfer charges or withholding taxes (i.e., when ordinary shares are deposited or withdrawn from deposit).
- Fees and expenses incurred in connection with the delivery or servicing of ordinary shares on deposit.
- Fees and expenses incurred in connection with complying with exchange control regulations and other regulatory requirements applicable to ordinary shares, deposited securities, ADSs and ADRs.
- Any applicable fees and penalties thereon.

The depositary fees payable upon the issuance and cancellation of ADSs are typically paid to the depositary bank by the brokers (on behalf of their clients) receiving the newly issued ADSs from the depositary bank and by the brokers (on behalf of their clients) delivering the ADSs to the depositary bank for cancellation. The brokers in turn charge these fees to their clients. Depositary fees payable in connection with distributions of cash or securities to ADS holders and the depositary services fee are charged by the depositary bank to the holders of record of ADSs as of the applicable ADS record date.

The depositary fees payable for cash distributions are generally deducted from the cash being distributed or by selling a portion of distributable property to pay the fees. In the case of distributions other than cash (i.e., share dividends, rights), the depositary bank charges the applicable fee to the ADS record date holders concurrent with the distribution. In the case of ADSs registered in the name of the investor (whether certificated or uncertificated in direct registration), the depositary bank sends invoices to the applicable record date ADS holders. In the case of ADSs held in brokerage and custodian accounts (via DTC), the depositary bank generally collects its fees through the systems provided by DTC (whose nominee is the registered holder of the ADSs held in DTC) from the brokers and custodians holding ADSs in their DTC accounts. The brokers and custodians who hold their clients' ADSs in DTC accounts in turn charge their clients' accounts the amount of the fees paid to the depositary banks.

In the event of refusal to pay the depositary fees, the depositary bank may, under the terms of the deposit agreement, refuse the requested service until payment is received or may set off the amount of the depositary fees from any distribution to be made to the ADS holder.

The depositary may make payments to us or reimburse us for certain costs and expenses, by making available a portion of the ADS fees collected in respect of the ADR program or otherwise, upon such terms and conditions as we and the depositary bank agree from time to time.

Payment of Taxes

You will be responsible for any taxes or other governmental charges payable, or which become payable, on your ADSs or on the deposited securities represented by any of your ADSs. The depositary may refuse to register or transfer your ADSs or allow you to withdraw the deposited securities represented by your ADSs until such taxes or other charges are paid. It may apply payments owed to you or sell deposited securities represented by your ADSs to pay any taxes owed and you will remain liable for any deficiency. If the depositary sells deposited securities, it will, if appropriate, reduce the number of ADSs to reflect the sale and pay to you any net proceeds, or send to you any property, remaining after it has paid the taxes. You agree to indemnify us, the depositary, the custodian and each of our and their respective agents, directors, employees and affiliates for, and hold each of them harmless from, any claims with respect to taxes (including applicable interest and penalties thereon) arising from any refund of taxes, reduced rate of withholding at source or other tax benefit obtained for you. Your obligations under this paragraph shall survive any transfer of ADRs, any surrender of ADRs and withdrawal of deposited securities or the termination of the deposit agreement.

Reclassifications, Recapitalizations and Mergers

If we:	Then:
Change the nominal or par value of our ordinary shares	The cash, shares or other securities received by the depositary will become deposited securities.
Reclassify, split up or consolidate any of the deposited securities	Each ADS will automatically represent its equal share of the new deposited securities.
Distribute securities on the ordinary shares that are not distributed to you, or Recapitalize, reorganize, merge, liquidate, sell all or substantially all of our assets, or take any similar action	The depositary may distribute some or all of the cash, shares or other securities it received. It may also deliver new ADSs or ask you to surrender your outstanding ADRs in exchange for new ADRs identifying the new deposited securities.

Amendment and Termination

How may the deposit agreement be amended?

We may agree with the depositary to amend the deposit agreement and the form of ADR without your consent for any reason. If an amendment adds or increases fees or charges, except for taxes and other governmental charges or expenses of the depositary for registration fees, facsimile costs, delivery charges or similar items, including expenses incurred in connection with foreign exchange control regulations and other charges specifically payable by ADS holders under the deposit agreement, or materially prejudices a substantial existing right of ADS holders, it will not become effective for outstanding ADSs until 30 days after the depositary notifies ADS holders of the amendment. At the time an amendment becomes effective, you are considered, by continuing to hold your ADSs, to agree to the amendment and to be bound by the ADRs and the deposit agreement as amended. If any new laws are adopted which would require the deposit agreement to be amended in order to comply therewith, we and the depositary may amend the deposit agreement in accordance with such laws and such amendment may become effective before notice thereof is given to ADS holders.

How may the deposit agreement be terminated?

The depositary will terminate the deposit agreement if we ask it to do so, in which case the depositary will give notice to you at least 90 days prior to termination. The depositary may also terminate the deposit agreement if the depositary has told us that it would like to resign, or if we have removed the depositary, and in either case we have not appointed a new depositary within 90 days. In either such case, the depositary must notify you at least 30 days before termination.

After termination, the depositary and its agents will do the following under the deposit agreement but nothing else: collect distributions on the deposited securities, sell rights and other property and deliver ordinary shares and other deposited securities upon cancellation of ADSs after payment of any fees, charges, taxes or other governmental charges. Six months or more after the date of termination, the depositary may sell any remaining deposited securities by public or private sale. After that, the depositary will hold the money it received on the sale, as well as any other cash it is holding under the deposit agreement, for the *pro rata* benefit of the ADS holders that have not surrendered their ADSs. It will not invest the money and has no liability for interest. After such sale, the depositary's only obligations will be to account for the money and other cash. After termination, we shall be discharged from all obligations under the deposit agreement except for our obligations to the depositary thereunder.

Books of Depositary

The depositary will maintain ADS holder records at its depositary office. You may inspect such records at such office during regular business hours but solely for the purpose of communicating with other holders in the interest of business matters relating to the Company, the ADRs and the deposit agreement.

The depositary will maintain facilities in the Borough of Manhattan, The City of New York to record and process the issuance, cancellation, combination, split-up and transfer of ADRs.

These facilities may be closed at any time or from time to time when such action is deemed necessary or advisable by the depositary in connection with the performance of its duties under the deposit agreement or at our reasonable written request.

Limitations on Obligations and Liability

Limits on our Obligations and the Obligations of the Depositary and the Custodian; Limits on Liability to Holders of ADSs

The deposit agreement expressly limits our obligations and the obligations of the depositary and the custodian. It also limits our liability and the liability of the depositary. The depositary and the custodian:

- are only obligated to take the actions specifically set forth in the deposit agreement without gross negligence or willful misconduct;
- are not liable if any of us or our respective controlling persons or agents are prevented or forbidden from, or subjected to any civil or criminal penalty or restraint on account of, or delayed in, doing or performing any act or thing required by the terms of the deposit agreement and any ADR, by reason of any provision of any present or future law or regulation of the United States or any state thereof, the Cayman Islands or any other country, or of any other governmental authority or regulatory authority or stock exchange, or on account of the possible criminal or civil penalties or restraint, or by reason of any provision, present or future, of our memorandum and articles of association or any provision of or governing any deposited securities, or by reason of any act of God or war or other circumstances beyond its control (including, without limitation, nationalization, expropriation, currency restrictions, work stoppage, strikes, civil unrest, revolutions, rebellions, explosions and computer failure);
- are not liable by reason of any exercise of, or failure to exercise, any discretion provided for in the deposit agreement or in our memorandum and articles of association or provisions of or governing deposited securities;
- are not liable for any action or inaction of the depositary, the custodian or us or their or our respective controlling persons or agents in reliance upon the advice of or information from legal counsel, any person presenting ordinary shares for deposit or any other person believed by it in good faith to be competent to give such advice or information;
- are not liable for the inability of any holder of ADSs to benefit from any distribution on deposited securities that is not made available to holders of ADSs under the terms of the deposit agreement;
- are not liable for any special, consequential, indirect or punitive damages for any breach of the terms of the deposit agreement, or otherwise;
- may rely upon any documents we believe in good faith to be genuine and to have been signed or presented by the proper party;
- disclaim any liability for any action or inaction or inaction of any of us or our respective controlling persons or agents in reliance upon the advice of or information from legal counsel, accountants, any person presenting ordinary shares for deposit, holders and beneficial owners (or authorized representatives) of ADSs, or any person believed in good faith to be competent to give such advice or information; and
- disclaim any liability for inability of any holder to benefit from any distribution, offering, right or other benefit made available to holders of deposited securities but not made available to holders of ADS.

The depositary and any of its agents also disclaim any liability (i) for any failure to carry out any instructions to vote, the manner in which any vote is cast or the effect of any vote or failure to determine that any distribution or action may be lawful or reasonably practicable or for allowing any rights to lapse in accordance with the provisions of the deposit agreement, (ii) the failure or timeliness of any notice from us, the content of any information submitted to it by us for distribution to you or for any inaccuracy of any translation thereof, (iii) any investment risk associated with the acquisition of an interest in the deposited securities, the validity or worth of the deposited securities, the credit-worthiness of any third party, (iv) for any tax consequences that may result from ownership of ADSs, ordinary shares or deposited securities, or (v) for any acts or omissions made by a successor depositary whether in connection with a previous act or omission of the depositary or in connection with any matter arising wholly after the removal or resignation of the depositary, provided that in connection with the issue out of which such potential liability arises the depositary performed its obligations without gross negligence or willful misconduct while it acted as depositary.

In the deposit agreement, we and the depositary agree to indemnify each other under certain circumstances.

Jurisdiction and Arbitration

The laws of the State of New York govern the deposit agreement and the ADSs and we have agreed with the depositary that the federal or state courts in the City of New York shall have exclusive jurisdiction to hear and determine any dispute arising from or in connection with the deposit agreement and that the depositary will have the right to refer any claim or dispute arising from the relationship created by the deposit agreement to arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association. The arbitration provisions of the deposit agreement do not preclude you from pursuing claims under the Securities Act or the Exchange Act in federal courts.

Jury Trial Waiver

The deposit agreement provides that each party to the deposit agreement (including each holder, beneficial owner and holder of interests in the ADRs) irrevocably waives, to the fullest extent permitted by applicable law, any right it may have to a trial by jury in any lawsuit or proceeding against us or the depositary arising out of or relating to our shares, the ADSs or the deposit agreement, including any claim under the U.S. federal securities laws. If we or the depositary opposed a jury trial demand based on the waiver, the court would determine whether the waiver was enforceable based on the facts and circumstances of that case in accordance with applicable law.

Requirements for Depositary Actions

Before the depositary will issue, deliver or register a transfer of an ADS, split-up, subdivide or combine ADSs, make a distribution on an ADS, or permit withdrawal of ordinary shares, the depositary may require:

- payment of stock transfer or other taxes or other governmental charges and transfer or registration fees charged by third parties for the transfer of any ordinary shares or other deposited securities and payment of the applicable fees, expenses and charges of the depositary;
- satisfactory proof of the identity and genuineness of any signature or any other matters contemplated in the deposit agreement; and
- compliance with (A) any laws or governmental regulations relating to the execution and delivery of ADRs or ADSs or to the withdrawal or delivery of deposited securities and (B) such reasonable regulations and procedures as the depositary may establish, from time to time, consistent with the deposit agreement and applicable laws, including presentation of transfer documents.

The depositary may refuse to issue and deliver ADSs or register transfers of ADSs generally when the register of the depositary or our transfer books are closed or at any time if the depositary or we determine that it is necessary or advisable to do so.

Your Right to Receive the Shares Underlying Your ADSs

You have the right to cancel your ADSs and withdraw the underlying ordinary shares at any time except:

- when temporary delays arise because: (1) the depositary has closed its transfer books or we have closed our transfer books; (2) the transfer of ordinary shares is blocked to permit voting at a shareholders' meeting; or (3) we are paying a dividend on our ordinary shares;
- when you owe money to pay fees, taxes and similar charges;
- when it is necessary to prohibit withdrawals in order to comply with any laws or governmental regulations that apply to ADSs or to the withdrawal of ordinary shares or other deposited securities, or
- other circumstances specifically contemplated by Section I.A.(l) of the General Instructions to Form F-6 (as such General Instructions may be amended from time to time); or
- for any other reason if the depositary or we determine, in good faith, that it is necessary or advisable to prohibit withdrawals.

The depositary shall not knowingly accept for deposit under the deposit agreement any ordinary shares or other deposited securities required to be registered under the provisions of the Securities Act, unless a registration statement is in effect as to such ordinary shares.

This right of withdrawal may not be limited by any other provision of the deposit agreement.

Direct Registration System

In the deposit agreement, all parties to the deposit agreement acknowledge that the DRS and Profile Modification System, or Profile, will apply to uncertificated ADSs upon acceptance thereof to DRS by DTC. DRS is the system administered by DTC pursuant to which the depositary may register the ownership of uncertificated ADSs, which ownership shall be evidenced by periodic statements issued by the depositary to the ADS holders entitled thereto. Profile is a required feature of DRS which allows a DTC participant, claiming to act on behalf of an ADS holder, to direct the depositary to register a transfer of those ADSs to DTC or its nominee and to deliver those ADSs to the DTC account of that DTC participant without receipt by the depositary of prior authorization from the ADS holder to register such transfer.

SHARES ELIGIBLE FOR FUTURE SALE

Before our initial public offering, there has not been a public market for shares of our ADSs or ordinary shares. Future sales of substantial amounts of our ADSs in the public market after our initial public offering, or the possibility of these sales occurring, could cause the prevailing market price for our ADSs to fall or impair our ability to raise equity capital in the future. Following this initial public offering, we will have ADSs outstanding. The ADSs that were not offered and sold in our initial public offering are "restricted securities," as that term is defined in Rule 144 under the Securities Act. These restricted securities are eligible for public sale only if they are registered under the Securities Act or if they qualify for an exemption from registration under Rule 144 or Rule 701 under the Securities Act, which are summarized below.

As a result of the lock-up agreements and market standoff provisions described below and subject to the provisions of Rules 144 and 701 under the Securities Act, these restricted securities will be available for sale in the public market as follows:

- on the date of this prospectus, none of these restricted securities will be available for sale in the public market; and
- 181 days after the date of this prospectus, additional ordinary shares held by shareholders subject to the terms of the lock-up agreements.

Rule 144

In general, under Rule 144 as currently in effect, beginning 90 days after the effective date of the registration statement of which this prospectus is a part, a person (or persons whose shares are aggregated) who is deemed to be an affiliate of our company at the time of sale, or at any time during the preceding three months, and who has beneficially owned restricted shares for at least six months, would be entitled to sell within any three-month period a number of the restricted securities that does not exceed the greater of 1% of the then outstanding ordinary shares of the same class, in the form of ADSs or otherwise, or the average weekly trading volume of ordinary shares of the same class, in the form of ADSs or otherwise, during the four calendar weeks preceding such sale. Sales under Rule 144 are subject to certain manner of sale provisions, notice requirements and the availability of current public information about our company. In addition, sales by our affiliates may be subject to the terms of lock-up agreements. See "– Lock-Up Agreements."

A person who has not been our affiliate at any time during the three months preceding a sale, and who has beneficially owned his or her restricted securities for at least six months, would be entitled under Rule 144 to sell such shares without regard to any manner of sale, notice provisions or volume limitations described above. Any such sales must comply with the public information provision of Rule 144 until our ADSs have been held for one year.

Rule 701

Securities issued in reliance on Rule 701 are also restricted and may be sold by shareholders other than affiliates of our company subject only to manner of sale provisions of Rule 144 and by affiliates under Rule 144 without compliance with its six-month holding period requirement.

[**Lock-Up Agreements**

Our directors, executive officers and all of our existing stockholders will enter into lock-up agreements with the representative of the underwriters prior to the commencement of this offering pursuant to which each of these persons or entities, for a period of 180 days from the effective date of the registration statement of which this prospectus is a part, agree, subject to certain exceptions, not to: (1) offer, pledge, announce the intention to sell, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, make any short sale or otherwise transfer or dispose of, directly or indirectly, any ordinary shares or ADSs or any securities convertible into, exercisable or exchangeable for or that represent the right to receive ordinary shares or ADSs (including ordinary shares or ADSs which may be deemed to be beneficially owned by such person in accordance with the rules and regulations of the Securities and Exchange Commission and securities which may be issued upon exercise of a stock option or warrant) whether now owned or hereafter acquired; (2) enter into any swap or other agreement that transfers, in whole or in part, any of the economic consequences of ownership of the foregoing securities, whether any such transaction described in clause (1) or (2) above is to be settled by delivery of ordinary shares or ADSs, in cash or otherwise; (3) make any demand for or exercise any right with respect to, the registration of any ordinary shares or ADSs or any security convertible into or exercisable or exchangeable for ordinary shares or ADSs; or (4) publicly disclose the intention to do any of the foregoing. See "Underwriting" for a description of the lock-up provisions.]

TAXATION

The following summary of the material Cayman Islands, PRC and U.S. federal income tax consequences of an investment in our ADSs or ordinary shares is based upon laws and relevant interpretations thereof in effect as of the date of this registration statement, all of which are subject to change. This summary does not deal with all possible tax consequences relating to an investment in our ADSs or ordinary shares, such as the tax consequences under U.S. state and local tax laws or under the tax laws of jurisdictions other than the Cayman Islands, China and the United States. To the extent that the discussion relates to matters of Cayman Islands tax law, it represents the opinion of Walkers, our counsel as to Cayman Islands law, and to the extent it relates to PRC tax law, it represents the opinion of GFE Law Office, our counsel as to PRC law.

PRC Enterprise Income Tax

According to the Enterprise Income Tax Law of PRC (the "EIT Law"), which was promulgated on March 16, 2007, effective as of January 1, 2008, and last amended in February 2017, the income tax for both domestic and foreign-invested enterprises is at a uniform rate of 25%. The Regulation on the Implementation of Enterprise Income Tax Law of the PRC (the "EIT Rules") was promulgated on December 6, 2007 and became effective on January 1, 2008.

Uncertainties exist with respect to how the EIT Law applies to the tax residence status of Puyi Inc. and our offshore subsidiaries. Under the EIT Law, an enterprise established outside of China with a "de facto management body" within China is considered a "resident enterprise", which means that it is treated in a manner similar to a Chinese enterprise for enterprise income tax purposes. Although the implementation rules of the EIT Law define "de facto management body" as a managing body that exercises substantive and overall management and control over the production and business, personnel, accounting books and assets of an enterprise, the only official guidance for this definition currently available is set forth in Circular 82 issued by the State Administration of Taxation, on April 22, 2009 which provides that a foreign enterprise controlled by a PRC company or a PRC company group will be classified as a "resident enterprise" with its "de facto management bodies" located within China if the following criteria are satisfied:

- the place where the senior management and core management departments that are in charge of its daily operations perform their duties is mainly located in the PRC;
- its financial and human resources decisions are made by or are subject to approval by persons or bodies in the PRC;
- its major assets, accounting books, company seals, and minutes and files of its board and shareholders' meetings are located or kept in the PRC; and
- more than half of the enterprise's directors or senior management with voting rights frequently reside in the PRC.

We believe that Puyi Inc. is not a PRC resident enterprise for PRC tax purposes. However, the tax resident status of an enterprise is subject to determination by the PRC tax authorities and uncertainties remain with respect to the interpretation of the term "de facto management body". If we are deemed a China resident enterprise, we may be subject to the EIT at the rate of 25% on our global income, except that the dividends we receive from our Chinese subsidiaries may be exempt from the EIT to the extent such dividends are deemed dividends among qualified resident enterprises. If we are considered a resident enterprise and earn income other than dividends from our Chinese subsidiaries, a 25% EIT on our global income could significantly increase our tax burden and materially and adversely affect our cash flow and profitability.

PRC Value-Added Tax

On March 23, 2016, the Ministry of Finance of China and the State Administration of Taxation of China jointly issued the Circular on the Nationwide Implementation of Pilot Program for the Collection of Value Added-Tax Instead of Business Tax, or Circular 36, which became effective on May 1, 2016. Subsequent to the effectiveness of Circular 36, the business of our VIEs and WFOE will be primarily subject to value-added tax, or VAT, at a rate of 6% and they would be permitted to offset input VAT by providing valid VAT invoices received from vendors against their VAT liability.

Cayman Islands Taxation

The Cayman Islands currently levies no taxes on individuals or corporations based upon profits, income, gains or appreciation and there is no taxation in the nature of inheritance tax or estate duty. There are no other taxes likely to be material to us levied by the government of the Cayman Islands except for stamp duties which may be applicable on instruments executed in, or brought within the jurisdiction of the Cayman Islands. The Cayman Islands is not party to any double tax treaties that are applicable to any payments made to or by our company. There are no exchange control regulations or currency restrictions in the Cayman Islands.

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

No stamp duty is payable in respect of the issue of the shares or on an instrument of transfer in respect of a share.

U.S. Federal Income Tax Considerations

The following discussion is a summary of U.S. federal income tax considerations generally applicable to the ownership and disposition of our ADSs or ordinary shares by a U.S. holder (as defined below) that acquires our ADSs in this offering and holds our ADSs or ordinary shares as "capital assets" (generally, property held for investment) under the U.S. Internal Revenue Code of 1986, as amended (the "Code"). This discussion is based upon existing U.S. federal income tax law, which is subject to differing interpretations and may be changed, possibly with retroactive effect. No ruling has been sought from the Internal Revenue Service (the "IRS") with respect to any U.S. federal income tax consequences described below, and there can be no assurance that the IRS or a court will not take a contrary position. This discussion does not address all aspects of U.S. federal income taxation that may be important to particular investors in light of their individual circumstances, including investors subject to special tax rules (for example, certain financial institutions, insurance companies, broker-dealers, traders in securities that have elected the mark-to-market method of accounting for their securities, partnerships and their partners, regulated investment companies, real estate investment trusts, and tax-exempt organizations (including private foundations)), investors who are not U.S. holders, investors who own (directly, indirectly, or constructively) 10% or more of our stock, investors that will hold their ADSs or ordinary shares as part of a straddle, hedge, conversion, constructive sale, or other integrated transaction for U.S. federal income tax purposes, or U.S. holders (as defined below) that have a functional currency other than the U.S. dollar, all of whom may be subject to tax rules that differ significantly from those summarized below. In addition, this discussion does not discuss any non-U.S., alternative minimum tax, state, or local tax or any non-income tax (such as the U.S. federal gift or estate tax) considerations, or the Medicare tax on net investment income. Each U.S. holder is urged to consult its tax advisor regarding the U.S. federal, state, local, and non-U.S. income and other tax considerations of an investment in our ADSs or ordinary shares.

WE URGE POTENTIAL PURCHASERS OF OUR SHARES TO CONSULT THEIR OWN TAX ADVISORS CONCERNING THE U.S. FEDERAL, STATE, LOCAL AND NON-U.S. TAX CONSEQUENCES OF PURCHASING, OWNING AND DISPOSING OF OUR ADSs OR ORDINARY SHARES.

General

For purposes of this discussion, a "U.S. holder" is a beneficial owner of our ADSs or ordinary shares that is, for U.S. federal income tax purposes, (i) an individual who is a citizen or resident of the United States, (ii) a corporation (or other entity treated as a corporation for U.S. federal income tax purposes) created in, or organized under the laws of, the United States or any state thereof or the District of Columbia, (iii) an estate the income of which is subject to U.S. federal income taxation regardless of its source, or (iv) a trust (A) the administration of which is subject to the primary supervision of a U.S. court and which has one or more U.S. persons who have the authority to control all substantial decisions of the trust or (B) that has otherwise elected to be treated as a U.S. person under applicable U.S. Treasury regulations.

If a partnership (or other entity or arrangement treated as a partnership for U.S. federal income tax purposes) is a beneficial owner of our ADSs or ordinary shares, the tax treatment of a partner in the partnership will generally depend upon the status of the partner and the activities of the partnership. Partnerships holding our ADSs or ordinary shares and partners in such partnerships are urged to consult their tax advisors as to the particular U.S. federal income tax consequences of an investment in our ADSs or ordinary shares.

For U.S. federal income tax purposes, a U.S. holder of ADSs will generally be treated as the beneficial owner of the underlying shares represented by the ADSs. The remainder of this discussion assumes that a U.S. holder of our ADSs will be treated as the beneficial owner of the underlying shares represented by the ADSs. Accordingly, deposits or withdrawals of ADSs or ordinary shares will generally not be subject to U.S. federal income tax.

Passive Foreign Investment Company Considerations

A non-U.S. corporation, such as our company, will be a "passive foreign investment company," or "PFIC," for U.S. federal income tax purposes, if, in any particular taxable year, either (i) 75% or more of its gross income for such year consists of certain types of "passive" income or (ii) 50% or more of the average quarterly value of its assets (as determined on the basis of fair market value) during such year produce or are held for the production of passive income. Cash is categorized as a passive asset and the company's unbooked intangibles associated with active business activities may generally be classified as active assets. Passive income generally includes, among other things, dividends, interest, rents, royalties, and gains from the disposition of passive assets.

We will be treated as owning a proportionate share of the assets and earning a proportionate share of the income of any other corporation in which we own, directly or indirectly, at least 25% (by value) of the stock. Although the law in this regard is unclear, we intend to treat our VIE (including its subsidiaries) as being owned by us for U.S. federal income tax purposes, and we treat it that way, not only because we exercise effective control over the operation of such entity but also because we are entitled to substantially all of the economic benefits associated with it, and, as a result, we consolidate its results of operations in our consolidated U.S. GAAP financial statements. Assuming that we are the owner of our VIE (including its subsidiaries) for U.S. federal income tax purposes, and based upon our current and expected income and assets (taking into account the expected proceeds from this offering) and projections as to the market price of our ADSs immediately following the offering, we do not presently expect to be a PFIC for the current taxable year or the foreseeable future.

While we do not expect to be or become a PFIC in the current or future taxable years, the determination of whether we are or will become a PFIC will depend in part upon the value of our goodwill and other unbooked intangibles (which will depend upon the market price of our ADSs from time-to-time, which may be volatile). In estimating the value of our goodwill and other unbooked intangibles, we have taken into account our anticipated market capitalization immediately following the close of this offering. Among other matters, if our market capitalization is less than anticipated or subsequently declines, we may be or become a PFIC for the current or future taxable years. It is also possible that the IRS may challenge our classification or valuation of our goodwill and other unbooked intangibles, which may result in our company being or becoming a PFIC for the current or one or more future taxable years.

The determination of whether we will be or become a PFIC will also depend, in part, on the composition of our income and assets, which may be affected by how, and how quickly, we use our liquid assets and the cash raised in this offering. If we determine not to deploy significant amounts of cash for active purposes or if we were treated as not owning our VIE (including its subsidiaries) for U.S. federal income tax purposes, our risk of being classified as a PFIC may substantially increase. Because our PFIC status for any taxable year is a factual determination that can be made only after the close of a taxable year, there can be no assurance that we will not be a PFIC for the current taxable year or any future taxable year. If we are a PFIC for any year during which a U.S. holder holds our ADSs or ordinary shares, we generally will continue to be treated as a PFIC for all succeeding years during which such U.S. holder holds our ADSs or ordinary shares.

The discussion below under "Dividends" and "Sale or Other Disposition of ADSs or Ordinary Shares" is written on the basis that we will not be or become a PFIC for U.S. federal income tax purposes. The U.S. federal income tax rules that apply if we are a PFIC for the current taxable year or any subsequent taxable year are generally discussed below under "Passive Foreign Investment Company Rules."

Dividends

Subject to the PFIC rules discussed below, any cash distributions paid on our ADSs or ordinary shares (including the amount of any tax withheld) out of our current or accumulated earnings and profits, as determined under U.S. federal income tax principles, will generally be includible in the gross income of a U.S. holder as dividend income on the day actually or constructively received by the U.S. holder, in the case of ordinary shares, or by the depositary, in the case of ADSs. Because we do not intend to determine our earnings and profits on the basis of U.S. federal income tax principles, we will generally report any distribution paid as a dividend for U.S. federal income tax purposes. Dividends received on the ADSs or ordinary shares will not be eligible for the dividends received deduction allowed to corporations.

Individuals and other non-corporate U.S. holders will generally be subject to tax at the lower capital gain tax rate applicable to "qualified dividend income," provided that certain conditions are satisfied, including that (1) our ADSs are readily tradable on an established securities market in the United States, or, in the event that we are deemed to be a PRC resident enterprise under the PRC tax law, we are eligible for the benefit of the United States-PRC income tax treaty, (2) we are neither a PFIC nor treated as such with respect to a U.S. holder for the taxable year in which the dividend was paid and the preceding taxable year, and (3) certain holding period requirements are met. We will apply for listing the ADSs on the [NASDAQ Global Market/New York Stock Exchange]. Provided the listing is approved, we believe that the ADSs will be readily tradable on an established securities market in the United States and that we will be a qualified foreign corporation with respect to dividends paid on the ADSs. There can be no assurance that our ADSs will continue to be considered readily tradable on an established securities market in later years. Since we do not expect that our ordinary shares will be listed on established securities markets, we do not believe that dividends that we pay on our ordinary shares that are not backed by ADSs currently meet the conditions required for the reduced tax rate. However, in the event we are deemed to be a resident enterprise under the PRC Enterprise Income Tax Law, we may be eligible for the benefits of the United States-PRC income tax treaty (which the U.S. Treasury Department has determined is satisfactory for this purpose) and in that case, we would be treated as a qualified foreign corporation with respect to dividends paid on our ordinary shares as well as our ADSs. Each non-corporate U.S. holder is advised to consult its tax advisors regarding the availability of the reduced tax rate applicable to qualified dividend income for any dividends we pay with respect to our ADSs or ordinary shares.

Dividends generally will be treated as income from foreign sources for U.S. foreign tax credit purposes and generally will constitute passive category income. In the event that we are deemed to be a PRC "resident enterprise" under the Enterprise Income Tax Law, a U.S. holder may be subject to PRC withholding taxes on dividends paid on our ADSs or ordinary shares. See "Taxation—PRC Enterprise Income Tax." In that case, a U.S. holder may be eligible, subject to a number of complex limitations, to claim a foreign tax credit in respect of any foreign withholding taxes imposed on dividends received on ADSs or ordinary shares. A U.S. holder who does not elect to claim a foreign tax credit for foreign tax withheld may instead claim a deduction, for U.S. federal income tax purposes, in respect of such withholdings, but only for a year in which such U.S. holder elects to do so for all creditable foreign income taxes. The rules governing the foreign tax credit are complex. U.S. holders are advised to consult their tax advisors regarding the availability of the foreign tax credit under their particular circumstances.

Sale or Other Disposition of ADSs or Ordinary Shares

Subject to the PFIC rules discussed below, a U.S. holder generally will recognize capital gain or loss upon the sale or other disposition of ADSs or ordinary shares in an amount equal to the difference between the amount realized upon the disposition and the U.S. holder's adjusted tax basis in such ADSs or ordinary shares. Any capital gain or loss will be long-term if the ADSs or ordinary shares have been held for more than one year and generally will be U.S. source gain or loss for U.S. foreign tax credit purposes. Long-term capital gains of individuals and other non-corporate U.S. holders generally are eligible for a reduced rate of taxation. The deductibility of a capital loss may be subject to limitations.

In the event that we are treated as a PRC "resident enterprise" under the Enterprise Income Tax Law and gain from the disposition of the ADSs or ordinary shares is subject to tax in the PRC, a U.S. holder that is eligible for the benefits of the income tax treaty between the United States and the PRC may elect to treat the gain as PRC source income. If a U.S. holder is not eligible for the benefits of the income tax treaty or fails to make the election to treat any gain as foreign source, then such U.S. holder may not be able to use the foreign tax credit arising from any PRC tax imposed on the disposition of the ADSs or ordinary shares unless such credit can be applied (subject to applicable limitations) against U.S. federal income tax due on other income derived from foreign sources in the same income category (generally, the passive category). U.S. holders are advised to consult their tax advisors regarding the tax consequences if a foreign tax is imposed on a disposition of our ADSs or ordinary shares, including the availability of the foreign tax credit under their particular circumstances and the election to treat any gain as PRC source.

Passive Foreign Investment Company Rules

If we are a PFIC for any taxable year during which a U.S. holder holds our ADSs or ordinary shares, and unless the U.S. holder makes a mark-to-market election (as described below), the U.S. holder will generally be subject to special tax rules that have a penalizing effect, regardless of whether we remain a PFIC, for subsequent taxable years, on (i) any excess distribution that we make to the U.S. holder (which generally means any distribution paid during a taxable year to a U.S. holder that is greater than 125% of the average annual distributions paid in the three preceding taxable years or, if shorter, the U.S. holder's holding period for the ADSs or ordinary shares), and (ii) any gain realized on the sale or other disposition, including, under certain circumstances, a pledge, of ADSs or ordinary shares. Under the PFIC rules:

- such excess distribution and/or gain will be allocated ratably over the U.S. holder's holding period for the ADSs or ordinary shares;
- such amount allocated to the current taxable year and any taxable years in the U.S. holder's holding period prior to the first taxable year in which we are a PFIC, or pre-PFIC year, will be taxable as ordinary income;

- such amount allocated to each prior taxable year, other than a pre-PFIC year, will be subject to tax at the highest tax rate in effect for that year; and

- an interest charge generally applicable to underpayments of tax will be imposed on the tax attributable to each prior taxable year, other than a pre-PFIC year.

If we are a PFIC for any taxable year during which a U.S. holder holds our ADSs or ordinary shares and any of our non- U.S. subsidiaries is also a PFIC, such U.S. holder would be treated as owning a proportionate amount (by value) of the shares of the lower tier PFIC for purposes of the application of these rules. U.S. holders are advised to consult their tax advisors regarding the application of the PFIC rules to any of our subsidiaries.

As an alternative to the foregoing rules, a U.S. holder of "marketable stock" in a PFIC may make a mark-to-market election with respect to our ADSs, provided that the ADSs are regularly traded on the [NASDAQ Global Market/New York Stock Exchange]. Because a mark-to-market election cannot be made for any lower-tier PFICs that a PFIC may own, a U.S. holder who makes a mark-to-market election with respect to our ADSs will generally continue to be subject to the foregoing rules with respect to such U.S. holder's indirect interest in any investments held by us that are treated as an equity interest in a PFIC for U.S. federal income tax purposes.

If a U.S. holder makes a mark-to-market election with respect to our ADSs, the U.S. holder generally will (i) include as ordinary income for each taxable year that we are a PFIC the excess, if any, of the fair market value of ADSs held at the end of the taxable year over the adjusted tax basis of such ADSs and (ii) deduct as an ordinary loss the excess, if any, of the adjusted tax basis of the ADSs over the fair market value of such ADSs held at the end of the taxable year, but only to the extent of the net amount previously included in income as a result of the mark-to-market election. The U.S. holder's adjusted tax basis in the ADSs would be adjusted to reflect any income or loss resulting from the mark-to-market election. Further, in each year that we are a PFIC any gain recognized upon the sale or other disposition of the ADSs will be treated as ordinary income and loss will be treated as ordinary loss, but only to the extent of the net amount previously included in income as a result of the mark-to-market election. If a U.S. holder makes a mark-to-market election it will be effective for the taxable year for which the election is made and all subsequent taxable years unless the ADSs are no longer regularly traded on a qualified exchange or the IRS consents to the revocation of the election. It should also be noted that it is intended that only the ADSs and not the ordinary shares will be listed on the [NASDAQ Global Market/New York Stock Exchange]. Consequently, if a U.S. holder holds ordinary shares that are not represented by ADSs, such holder generally will not be eligible to make a mark-to-market election if we are or were to become a PFIC.

If a U.S. holder makes a mark-to-market election in respect of a PFIC and such corporation ceases to be a PFIC, the U.S. holder will not be required to take into account the mark-to-market gain or loss described above during any period that such corporation is not a PFIC.

We do not intend to provide information necessary for U.S. holders to make qualified electing fund elections, which, if available, would result in tax treatment different from (and generally less adverse than) the general tax treatment for PFICs described above.

If a U.S. holder owns our ADSs or ordinary shares during any taxable year that we are a PFIC, such holder would generally be required to file an annual IRS Form 8621. Each U.S. holder is advised to consult its tax advisors regarding the potential tax consequences to such holder if we are or become a PFIC, including the possibility of making a mark-to-market election.

ENFORCEABILITY OF CIVIL LIABILITIES

We are incorporated under the laws of the Cayman Islands as an exempted company with limited liability. We are incorporated in the Cayman Islands because of certain benefits associated with being a Cayman Islands exempted company, such as political and economic stability, an effective judicial system, a favorable tax system, the absence of foreign exchange control or currency restrictions and the availability of professional and support services. However, the Cayman Islands has a less developed body of securities laws than the United States and provides less protection for investors. In addition, Cayman Islands companies do not have standing to sue before the federal courts of the United States.

Substantially all of our assets are located outside the United States. In addition, all of our directors and officers are nationals and/or residents of countries other than the United States, and all or a substantial portion of such persons' assets are located outside the United States. As a result, it may be difficult for investors to effect service of process within the United States upon us or such persons or to enforce against them or against us, judgments obtained in United States courts, including judgments predicated upon the civil liability provisions of the securities laws of the United States or any state thereof.

We have appointed Cogency Global Inc. as our agent to receive service of process with respect to any action brought against us in the United States District Court for the Southern District of New York under the federal securities laws of the United States or of any State of the United States or any action brought against us in the Supreme Court of the State of New York in the County of New York under the securities laws of the State of New York.

GFE Law Office, our counsel as to PRC law, has advised us that there is uncertainty as to whether the courts of China would (1) recognize or enforce judgments of United States courts obtained against us or such persons predicated upon the civil liability provisions of the securities laws of the United States or any state thereof, or (2) be competent to hear original actions brought in each respective jurisdiction, against us or such persons predicated upon the securities laws of the United States or any state thereof.

Our PRC counsel has advised us that the recognition and enforcement of foreign judgments are regulated by the Chinese Civil Procedure Law. Chinese courts may recognize and enforce foreign judgments in accordance with the requirements of the Chinese Civil Procedure Law based either on treaties between China and the country where the judgment is made or in reciprocity between jurisdictions. China does not have any treaties or other agreements with the Cayman Islands or the United States that provide for the reciprocal recognition and enforcement of foreign judgments. GFE Law Office has further advised us that under PRC law, PRC courts will not enforce a foreign judgment against us or our officers and directors if the court decides that such judgment violates the basic principles of PRC law or national sovereignty, security or social public interest.

We have been advised by Walkers, our counsel as to Cayman Islands law, that there is uncertainty as to whether the courts of the Cayman Islands would (1) recognize or enforce judgments of U.S. courts obtained against us or our directors or officers that are predicated upon the civil liability provisions of the federal securities laws of the United States or the securities laws of any state in the United States, or (2) entertain original actions brought in the Cayman Islands against us or our directors or officers that are predicated upon the federal securities laws of the United States or the securities laws of any state in the United States. Walkers has informed us that although there is no statutory enforcement in the Cayman Islands of judgments obtained in the federal or state courts of the United States (and the Cayman Islands are not a party to any treaties for the reciprocal enforcement or recognition of such judgments), a judgment in personam obtained in such jurisdiction will be recognized and enforced in the courts of the Cayman Islands at common law, without any re-examination of the merits of the underlying dispute, by an action commenced on the foreign judgment debt in the Grand Court of the Cayman Islands, provided such judgment (i) is given by a competent foreign court with jurisdiction to give the judgment, (ii) imposes a specific positive obligation on the judgment debtor (such as an obligation to pay a liquidated sum or perform a specified obligation), (iii) is final and conclusive, (iv) is not in respect of taxes, a fine or a penalty; and (v) was not obtained in a manner and is not of a kind the enforcement of which is contrary to natural justice or the public policy of the Cayman Islands. There is uncertainty with regard to Cayman Islands law relating to whether a judgment obtained from the United States courts under civil liability provisions of the securities laws of the United States will be determined by the courts of the Cayman Islands as penal or punitive in nature. If such a determination is made, the courts of the Cayman Islands will not recognize or enforce the judgment against a Cayman Islands company. Because the courts of the Cayman Islands have yet to rule on whether such judgments are penal or punitive in nature, it is uncertain whether they would be enforceable in the Cayman Islands.

UNDERWRITING

We expect to enter into an underwriting agreement with Network 1 Financial Securities, Inc., as the underwriter named therein, with respect to the ADSs in this offering. Under the terms and subject to the conditions contained in the underwriting agreement, we have agreed to issue and sell a minimum offering amount of ADSs and a maximum offering amount of ADSs on a best efforts basis. The offering is being made without a firm commitment by the underwriter, which has no obligation or commitment to purchase any securities. The underwriter must sell the minimum number of securities offered (ADSs) if any securities are sold. The underwriter is required to use only its best efforts to sell the securities offered.

We do not intend to close this offering unless we sell at least a minimum number of ADS, at the price per ADS set forth on the cover page of this prospectus, to result in sufficient proceeds to list our ADSs on . We plan to list our ADSs on under the symbol " " Because this is a best efforts offering, the underwriter does not have an obligation to purchase any securities, and, as a result, we may not be able to sell the minimum number of ADSs. The offering may close or terminate, as the case may be, on the earlier of (i) any time after the minimum offering amount of our ADSs is raised, or (ii) 90 days from the date of this prospectus, or the expiration date. If we can successfully raise the minimum offering amount within the offering period, the proceeds from the offering will be released to us.

We expect that delivery of the ADSs will be made to investors through the book-entry facilities of The Depository Trust Company.

The underwriting agreement provides that the obligation of the underwriter to sell the ADSs, on a best efforts basis, is subject to certain conditions precedent, including but not limited to (1) obtaining listing approval on , (2) delivery of legal opinions and (3) delivery of auditor comfort letters. The underwriter is under no obligation to purchase any ADSs for its own account. To list on the , we are required to satisfy the financial and liquidity requirements of the under the listing rules. We plan to apply to list our ADSs on and expect to receive an approval in principle for listing our ADSs on the around the date of this prospectus. We will deliver to a notice to commence trading three days prior to the completion of the offering. Trading in the ADSs will commence upon the closing of the offering. As an offering on a best efforts basis, there can be no assurance that the offering contemplated hereby will ultimately be consummated. The underwriter may, but is not obligated to, retain other selected dealers that are qualified to offer and sell the shares and that are members of the Financial Industry Regulatory Authority, Inc.

Discounts, Commissions and Expenses

We have agreed to pay the underwriter a fee equal to % of the gross proceeds of the offering from investors introduced by the underwriter and a fee equal to % of the gross proceeds of the offering from investors introduced by us.

We have agreed to pay a non-accountable expense allowance to the underwriter of % of the gross proceeds of the offering. We have agreed to pay the underwriter's reasonable out-of-pocket expenses (including reasonable clearing charges, travel and out-of pocket expense in connection with this offering reasonable fees and expenses of legal counsel incurred by the underwriter in connection with this offering, the cost of any due diligence meetings, and preparation of printed documents for closing and deal mementos) incurred by the underwriter in connection with this offering up to US$. We have paid an advance of US$ to the underwriter to be applied to the underwriter's anticipated out-of-pocket expenses. The advance will be returned to us to the extent such out-of-pocket accountable expenses are not actually incurred in accordance with FINRA Rule 5110(f)(2)(C).

We have agreed to pay our expenses related to the offering. We estimate that our total expenses related to this offering, excluding the estimated commissions to the underwriter and payment of the underwriter's expenses referred to above, will be approximately US$ million.

Except as disclosed in this prospectus, the underwriter has not received and will not receive from us any other item of compensation or expense in connection with this offering considered by FINRA to be underwriting compensation under FINRA Rule 5110.

The table below shows the per ADS and total commissions that we will pay to the underwriter.

	Minimum offering amount		Maximum offering amount	
	Per ADS	**Total**	**Per ADS**	**Total**
Commissions to the underwriter (%) for sales to investors introduced by the underwriter				
Commissions to the underwriter (%) for sales to investors introduced by us				
Total				

We have agreed that, subject to certain exceptions, we will not without the prior written consent of the underwriter, during the period ending 180 days after the closing of the offering (the "restricted period"):

- sell, grant any option, right or warrant to purchase, lend, or otherwise transfer or dispose of, directly or indirectly, any shares of capital stock of our Company or any securities convertible into or exercisable or exchangeable for shares of capital stock of our Company;
- file or cause to be filed any registration statement with the SEC relating to the offering of any shares of capital stock of our Company or any securities convertible into or exercisable or exchangeable for shares of capital stock of our Company or
- enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of capital stock of our Company whether any such transaction described above is to be settled by delivery of ordinary shares, ADSs or such other securities, in cash or otherwise.

Each of our directors and officers named in the section "Management", certain of our shareholders and incentive shareholders has agreed that, subject to certain exceptions, such director, executive officer or beneficial owner of 5% or more of our outstanding ordinary shares will not, without the prior written consent of the underwriter, during the restricted period:

- offer, pledge, sell, contract to sell, grant, lend, or otherwise transfer or dispose of, directly or indirectly, any ADSs or capital stock of our Company including ordinary shares or any securities convertible into or exercisable or exchangeable for such ADSs or capital stock, or
- enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of such ADSs or capital stock whether any such transaction described above is to be settled by delivery of ordinary shares, ADSs or such other securities, in cash or otherwise.

Prior to this offering, there has been no public market for the ADSs. The initial public offering price will be determined by negotiations between us and the underwriter. In determining the initial public offering price, we and the underwriter expects to consider a number of factors, including:

- the information set forth in this prospectus and otherwise available to the underwriter;
- our prospects and the history and prospects for the industry in which we compete;
- an assessment of our management;
- our prospects for future earnings;
- the general condition of the securities markets at the time of this offering;
- the recent market prices of, and demand for, publicly traded securities of generally comparable companies; and
- other factors deemed relevant by the underwriter and us.

The estimated initial public offering price range set forth on the cover page of this preliminary prospectus is subject to change as a result of market conditions and other factors. Neither we nor the underwriter can assure investors that an active trading market will develop for our ordinary shares, or that the shares will trade in the public market at or above the initial public offering price.

We have agreed to indemnify the underwriter against certain liabilities, including liabilities under the Securities Act. If we are unable to provide this indemnification, we will contribute to payments that the underwriter may be required to make for these liabilities.

The address of Network 1 Financial Securities, Inc. is The Galleria, 2 Bridge Avenue, Suite 241, Red Bank, New Jersey, United States.

Terms of the Offering

We are offering, on a best efforts basis, a minimum of ADSs and a maximum of ADSs. The offering is being made without a firm commitment by the underwriter, which has no obligation or commitment to purchase any securities. The underwriter must sell the minimum number of securities offered (ADSs) if any securities are sold. The underwriter is required to use only its best efforts to sell the securities offered. The ADSs are being offered for a period not to exceed 90 days, subject to an extension of an additional 90 days if extended by agreement between us and the underwriter. If the minimum offering amount is not raised within 90 days from the date of this prospectus, all subscription funds from the escrow account will be returned to investors promptly without interest (since the funds are being held in a non-interest bearing account) or deduction of fees. The offering may terminate on the earlier of (i) any time after the minimum offering amount of our ADSs is raised, or (ii) 90 days from the date of this prospectus, subject to an extension of an additional 90 days if extended by us and the underwriter. If we can successfully raise the minimum offering amount within the offering period, the proceeds from the offering will be released to us.

Deposit of Offering Proceeds

The proceeds from the sale of the ADSs in this offering will be deposited in a separate (limited to funds received on behalf of us) non-interest bearing bank account at the branch of established by the Escrow Agent, or the Escrow Account. The purpose of the Escrow Account is for (i) the deposit of all subscription monies (checks or wire transfers) which are received by the underwriter from prospective purchasers of the our offered ADSs and are delivered by the underwriter to the Escrow Agent, (ii) the holding of amounts of subscription monies which are collected through the banking system, and (iii) the disbursement of collected funds.

The underwriter shall promptly deliver to the Escrow Agent all funds in the form of checks or wire transfers which it receives from prospective purchasers of our ADSs by noon of the next business day following receipt where internal supervisory review is conducted at the same location at which subscription documents and funds are received. Simultaneously with each deposit to the Escrow Account, the underwriter shall inform the Escrow Agent about the subscription information for each prospective purchaser. Upon the Escrow Agent's receipt of such monies, they shall be credited to the Escrow Account. All checks delivered to the Escrow Agent shall be made payable to " Escrow Account." The Escrow Agent shall not be required to accept for credit to the Escrow Account or for deposit into the Escrow Account checks which are not accompanied by the appropriate subscription information. Wire transfers representing payments by prospective purchasers shall not be deemed deposited in the Escrow Account until the Escrow Agent has received in writing the subscription information required with respect to such payments.

No interest will be available for payment to either us or the investors (since the funds are being held in a non-interest bearing account). All subscription funds will be held in trust pending the raising of the minimum offering amount and no funds will be released to us until the completion of the offering. Release of the funds to us is based upon the Escrow Agent reviewing the records of the depository institution holding the escrow to verify that the funds received have cleared the banking system prior to releasing the funds to us. All subscription information and subscription funds through checks or wire transfers should be delivered to the Escrow Agent. Failure to do so will result in subscription funds being returned to the investor. In event that the offering is terminated, all subscription funds from the escrow account will be returned to investors by noon of the next business day after the termination of the offering.

Electronic Offer, Sale and Distribution of ADSs

A prospectus in electronic format may be made available on the websites maintained by the underwriter. In addition, ADSs may be sold by the underwriter to securities dealers who resell ADSs to online brokerage account holders. Other than the prospectus in electronic format, the information on the underwriter's website and any information contained in any other website maintained by the underwriter is not part of the prospectus or the registration statement of which this prospectus forms a part, has not been approved and/or endorsed by us or the underwriter in its capacity as underwriter and should not be relied upon by investors.

Selling Restrictions

No action has been taken in any jurisdiction (except in the United States) that would permit a public offering of the ADSs, or the possession, circulation or distribution of this prospectus or any other material relating to us or the ADSs, where action for that purpose is required. Accordingly, the ADSs may not be offered or sold, directly or indirectly, and neither this prospectus nor any other offering material or advertisements in connection with the ADSs may be distributed or published, in or from any country or jurisdiction except in compliance with any applicable rules and regulations of any such country or jurisdiction.

Australia. This prospectus is not a product disclosure statement, prospectus or other type of disclosure document for the purposes of Corporations Act 2001 (Commonwealth of Australia) (the "Act") and does not purport to include the information required of a product disclosure statement, prospectus or other disclosure document under Chapter 6D.2 of the Act. No product disclosure statement, prospectus, disclosure document, offering material or advertisement in relation to the offer of the ADSs has been or will be lodged with the Australian Securities and Investments Commission or the Australian Securities Exchange.

Accordingly, (1) the offer of the ADSs under this prospectus may only be made to persons: (i) to whom it is lawful to offer the ADSs without disclosure to investors under Chapter 6D.2 of the Act under one or more exemptions set out in Section 708 of the Act, and (ii) who are "wholesale clients" as that term is defined in section 761G of the Act, (2) this prospectus may only be made available in Australia to persons as set forth in clause (1) above, and (3) by accepting this offer, the offeree represents that the offeree is such a person as set forth in clause (1) above, and the offeree agrees not to sell or offer for sale any of the ADSs sold to the offeree within 12 months after their issue except as otherwise permitted under the Act.

Canada. The ADSs may not be offered, sold or distributed, directly or indirectly, in any province or territory of Canada other than the provinces of Ontario and Quebec or to or for the benefit of any resident of any province or territory of Canada other than the provinces of Ontario and Quebec, and only on a basis that is pursuant to an exemption from the requirement to file a prospectus in such province, and only through a dealer duly registered under the applicable securities laws of such province or in accordance with an exemption from the applicable registered dealer requirements.

Cayman Islands. This prospectus does not constitute a public offer of the ADSs or ordinary shares, whether by way of sale or subscription, in the Cayman Islands. Each underwriter has represented and agreed that it has not offered or sold, and will not offer or sell, directly or indirectly, any ADSs or ordinary shares to any member of the public in the Cayman Islands.

European Economic Area. In relation to each Member State of the European Economic Area that has implemented the Prospectus Directive, or a Relevant Member State, from and including the date on which the Prospectus Directive is implemented in that Relevant Member State, or the Relevant Implementation Date, an offer of the ADSs to the public may not be made in that Relevant Member State prior to the publication of a prospectus in relation to the ADSs that has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and the competent authority in that Relevant Member State has been notified, all in accordance with the Prospectus Directive, except that it may, with effect from and including the Relevant Implementation Date, make an offer of the ADS to the public in that Relevant Member State at any time,

- to legal entities that are authorized or regulated to operate in the financial markets or, if not so authorized or regulated, whose corporate purpose is solely to invest in securities;

- to any legal entity that has two or more of (1) an average of at least 250 employees during the last financial year, (2) a total balance sheet of more than €43,000,000, and (3) an annual net turnover of more than €50,000,000, as shown in its last annual or consolidated accounts;

- to fewer than 100 natural or legal persons (other than qualified investors as defined in the Prospectus Directive; or

- in any other circumstances that do not require the publication by the company of a prospectus pursuant to Article 3 of the Prospectus Directive;

provided that no such offer of ADSs shall result in a requirement for the publication by the company of a prospectus pursuant to Article 3 of the Prospectus Directive.

For purposes of the above provision, the expression “an offer of ADSs to the public” in relation to any ADSs in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the ADSs to be offered so as to enable an investor to decide to purchase or subscribe the ADSs, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State, and the expression “Prospectus Directive” means Directive 2003/71/EC and includes any relevant implementing measure in each Relevant Member State.

Hong Kong. The ADSs may not be offered or sold by means of this document or any other document other than (i) in circumstances that do not constitute an offer or invitation to the public within the meaning of the Companies Ordinance (Cap.32, Laws of Hong Kong) or the Securities and Futures Ordinance (Cap.571, Laws of Hong Kong), or (ii) to “professional investors” within the meaning of the Securities and Futures Ordinance (Cap.571, Laws of Hong Kong) and any rules made thereunder, or (iii) in other circumstances that do not result in the document being a “prospectus” within the meaning of the Companies Ordinance (Cap.32, Laws of Hong Kong), and no advertisement, invitation or document relating to the ADSs may be issued or may be in the possession of any person for the purpose of issue (in each case whether in Hong Kong or elsewhere), that is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the laws of Hong Kong) other than with respect to ADSs which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” within the meaning of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and any rules made thereunder.

People’s Republic of China. This prospectus may not be circulated or distributed in the PRC and the ADSs may not be offered or sold, and will not offer or sell to any person for re-offering or resale directly or indirectly to any resident of the PRC except pursuant to applicable laws and regulations of the PRC. For the purpose of this paragraph, PRC does not include Taiwan and the special administrative regions of Hong Kong and Macau.

United Kingdom. An offer of the ADSs may not be made to the public in the United Kingdom within the meaning of Section 102B of the Financial Services and Markets Act 2000, as amended, or the FSMA, except to legal entities that are authorized or regulated to operate in the financial markets or, if not so authorized or regulated, whose corporate purpose is solely to invest in securities or otherwise in circumstances that do not require the publication by the company of a prospectus pursuant to the Prospectus Rules of the Financial Services Authority, or the FSA.

An invitation or inducement to engage in investment activity (within the meaning of Section 21 of FSMA) may only be communicated to persons who have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 or in circumstances in which Section 21 of FSMA does not apply to the company.

All applicable provisions of the FSMA with respect to anything done by the underwriter in relation to the ADSs must be complied with in, from or otherwise involving the United Kingdom.

EXPENSES RELATED TO THIS OFFERING

The estimated expenses payable by us in connection with the offering described in this registration statement (other than the placement discounts and commissions) will be as follows. With the exception of the filing fees for the U.S. Securities Exchange Commission, FINRA and NASDAQ/NYSE, all amounts are estimates.

U.S. Securities and Exchange Commission registration fee	$
FINRA filing fee	$
NASDAQ/NYSE application and listing fee	$
Legal fees and expenses for Chinese counsel	$
Legal fees and expenses for Cayman counsel	$
Legal fees and expenses for U.S. counsel	$
Accounting fees and expenses	$
Printing fees and expenses	$
Miscellaneous	$
Total	$

LEGAL MATTERS

We are being represented by Sidley Austin LLP with respect to legal matters of United States federal securities and New York State law. The underwriters are being represented by Mei & Mark LLP with respect to certain legal matters as to United States federal securities and New York State law. The validity of the shares and certain legal matters relating to the offering as to Cayman Islands law will be passed upon for us by Walkers. Certain legal matters relating to the offering as to PRC law will be passed upon for us by GFE Law Office and for the underwriter by AllBright Law Offices. Sidley Austin LLP may rely upon Walkers with respect to matters governed by Cayman Islands law and GFE Law Office with respect to matters governed by PRC law. Mei & Mark LLP may rely upon AllBright Law Offices with respect to matters governed by PRC law.

EXPERTS

Our consolidated financial statements as at June 30, 2017 and 2018, and for each of the two fiscal years then ended have been included herein and in the registration statement in reliance upon the report of Marcum Bernstein & Pinchuk LLP, an independent registered public accounting firm, appearing elsewhere herein, and upon the authority of that firm as experts in accounting and auditing. The office of Marcum Bernstein & Pinchuk LLP is located at 7 Penn Plaza Suite 830, New York, NY 10001.

WHERE YOU CAN FIND ADDITIONAL INFORMATION

We have filed with the SEC a registration statement on Form F-1 under the Securities Act with respect to the underlying ordinary shares represented by the ADSs to be sold in this offering. This prospectus, which constitutes a part of the registration statement, does not contain all of the information set forth in the registration statement or the exhibits filed therewith. For further information about us and the ADSs offered hereby, reference is made to the registration statement and the exhibits filed therewith. Statements contained in this prospectus regarding the contents of any contract or any other document that is filed as an exhibit to the registration statement are not necessarily complete, and in each instance we refer you to the copy of such contract or other document filed as an exhibit to the registration statement. We currently do not file periodic reports with the SEC. Upon closing of our initial public offering, we will be required to file periodic reports (including an annual report on Form 20-F, which we will be required to file within 120 days from the end of each fiscal year), and other information with the SEC pursuant to the Exchange Act. A copy of the registration statement and the exhibits filed therewith may be inspected without charge at the public reference room maintained by the SEC, located at 100 F Street, NE, Washington, DC 20549, and copies of all or any part of the registration statement may be obtained from that office. Please call the SEC at 1-800-SEC-0330 for further information about the public reference room. The SEC also maintains a website that contains reports, proxy and information statements and other information regarding registrants that file electronically with the SEC. The address of the website is *http://www.sec.gov*.

PUYI INC.
INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders and Board of Directors of
Puyi Inc.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Puyi Inc. (the "Company") as of June 30, 2017 and 2018, the related consolidated statements of income, shareholders' equity and cash flows for each of the two years in the period ended June 30, 2018, and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of June 30, 2017 and 2018, and the results of its operations and its cash flows for each of the two years in the period ended June 30, 2018, in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ Marcum Bernstein & Pinchuk LLP

We have served as the Company's auditor since 2018.

New York, New York
October 1, 2018

PUYI INC.
Consolidated Statements of Financial Position
(In thousands, except for shares data)

	As of June 30,		
	2017	**2018**	**2018**
	RMB (Combined – Note 4)	**RMB**	**US$**
ASSETS:			
Current assets:			
Cash and cash equivalents	55,196	103,228	15,600
Restricted cash	1,841	8,772	1,326
Accounts receivable, net	23,116	30,757	4,648
Short term investments	14,243	5,010	757
Commercial acceptance notes	-	10,642	1,608
Other receivables	4,831	5,729	866
Short-term loans receivable	-	50,356	7,610
Amount due from related parties	85,900	80	12
Total current assets	**185,127**	**214,574**	**32,427**
Long-term investments	-	5,000	756
Property and equipment, net	1,021	890	135
Intangible assets, net	1,503	700	106
Long-term prepayments	-	461	70
Deferred tax assets	4,012	4,241	640
Total assets	**191,663**	**225,866**	**34,134**

All of the VIE's assets can be used to settle obligations of its primary beneficiary. Liabilities recognized as a result of consolidating this VIE do not represent additional claims on the Company's general assets (Note 1).

The accompanying notes are an integral part of the consolidated financial statements.

PUYI INC.
Consolidated Statements of Financial Position-(Continued)
(In thousands, except for shares data)

	As of June 30,		
	2017	**2018**	**2018**
	RMB (Combined – Note 4)	**RMB**	**US$**
LIABILITIES AND EQUITY:			
LIABILITIES:			
Current liabilities:			
Commission payable	13,133	3,677	556
Investors' deposit	1,841	8,772	1,326
Other payables and accrued expenses	7,752	6,129	926
Due to shareholder for acquisition of subsidiaries	-	2,116	320
Income taxes payable	1,687	2,820	426
Other tax liabilities	8,700	8,700	1,315
Total current liabilities	**33,113**	**32,214**	**4,869**
Total liabilities	**33,113**	**32,214**	**4,869**
Commitments and contingencies			
EQUITY:			
Ordinary shares (Authorized shares: 2,000,000,000 at US$0.001 each; issued and outstanding shares: 80,000,000 and 80,000,000 as of June 30, 2017 and 2018, respectively)	529	529	80
Additional paid-in capital	91,220	62,705	9,476
Statutory reserves	8,328	14,152	2,139
Retained earnings	48,635	107,407	16,232
Total Puyi Inc.'s equity	**148,712**	**184,793**	**27,927**
Non-controlling interests	**9,838**	**8,859**	**1,338**
Total equity	**158,550**	**193,652**	**29,265**
Total liabilities and equity	**191,663**	**225,866**	**34,134**

All of the VIE's assets can be used to settle obligations of its primary beneficiary. Liabilities recognized as a result of consolidating this VIE do not represent additional claims on the Company's general assets (Note 1).

The accompanying notes are an integral part of the consolidated financial statements.

PUYI INC.
Consolidated Statements of Income
(In thousands, except for shares data)

	Years ended June 30,		
	2017	**2018**	**2018**
	RMB (Combined – Note 4)	**RMB** (Combined – Note 4)	**US$** (Combined – Note 4)
Net revenues:			
Wealth management	144,925	140,403	21,218
Corporate financing	773	13,710	2,072
Asset management	-	103	16
Information technology and others	9,993	11,595	1,752
Total net revenues	**155,691**	**165,811**	**25,058**
Operating costs and expenses:			
Cost of sales	(53,397)	(28,825)	(4,356)
Selling expenses	(34,969)	(45,470)	(6,872)
General and administrative expenses	(20,088)	(28,623)	(4,326)
Total operating costs and expenses	**(108,454)**	**(102,918)**	**(15,554)**
Income from operations	**47,237**	**62,893**	**9,504**
Other income, net:			
Investment income	1,715	5,144	777
Interest income	51	3,640	550
Interest expenses	(2,311)	-	-
Others, net	843	201	31
Income from continuing operations before income taxes and discontinued operations	**47,535**	**71,878**	**10,862**
Income tax expense	(7,641)	(8,261)	(1,248)
Net income from continuing operations	**39,894**	**63,617**	**9,614**
Net loss from discontinued operations, net of tax	(254)	-	-
Net income	**39,640**	**63,617**	**9,614**
Less: net income (loss) attributable to non-controlling interests	1,827	(979)	(148)
Net income attributable to Puyi Inc.'s shareholders	**37,813**	**64,596**	**9,762**
Net income per share:			
Basic and Diluted			
Net income from continuing operations	0.476	0.807	0.122
Net loss from discontinued operations	(0.003)	-	-
Net income	0.473	0.807	0.122
Weighted average number of shares used in computation:			
Basic	80,000,000	80,000,000	80,000,000
Diluted	80,000,000	80,000,000	80,000,000

The accompanying notes are an integral part of the consolidated financial statements.

PUYI INC.
Consolidated Statements of Shareholders' Equity
(In thousands, except for shares data)

	Share Capital		Additional			Non-	
	Ordinary Shares*	Amount	Paid-in Capital	Statutory Reserves	Retained Earnings	controlling Interests	Total
		RMB	RMB	RMB	RMB	RMB	RMB
Balance as of July 1, 2016 (Combined – Note 4)	80,000,000	529	61,118	5,528	13,622	8,113	88,910
Net income	-	-	-	-	37,813	1,827	39,640
Provision for statutory reserves	-	-	-	2,800	(2,800)	-	-
Effect of acquisitions under common control	-	-	30,000	-	-	-	30,000
Change in non-controlling interest	-	-	102	-	-	(102)	-
Balance as of June 30, 2017 (Combined – Note 4)	**80,000,000**	**529**	**91,220**	**8,328**	**48,635**	**9,838**	**158,550**
Net income	-	-	-	-	64,596	(979)	63,617
Provision for statutory reserves	-	-	-	5,824	(5,824)	-	-
Effect of acquisitions under common control	-	-	(28,515)	-	-	-	(28,515)
Balance as of June 30, 2018	**80,000,000**	**529**	**62,705**	**14,152**	**107,407**	**8,859**	**193,652**
Balance as of June 30, 2018 in US$	**-**	**80**	**9,476**	**2,139**	**16,232**	**1,338**	**29,265**

*The shares are presented on a retroactive basis to reflect the nominal share issuance.

The accompanying notes are an integral part of the consolidated financial statements.

PUYI INC.
Consolidated Statements of Cash Flows
(In thousands)

	Years ended June 30,		
	2017	**2018**	**2018**
	RMB (Combined – Note 4)	**RMB** (Combined – Note 4)	**US$** (Combined – Note 4)
Cash flows from operating activities			
Net income	**39,640**	**63,617**	**9,614**
Adjustments to reconcile net income to net cash generated from operating activities:			
Depreciation	433	604	91
Amortization of intangible assets	1,232	1,261	191
Loss on disposal of subsidiaries	8,578	-	-
Provision on uncertain tax liability	2,000	-	-
Investment income	(1,715)	(5,144)	(777)
Interest income	(51)	(3,640)	(550)
Interest expense	2,311	-	-
Changes in operating assets and liabilities:			
Accounts receivable	(20,377)	(7,640)	(1,155)
Other receivables	139,488	(899)	(134)
Non-current deferred tax assets	3,524	-	-
Accounts payable	1,439	(9,457)	(1,429)
Other payables and accrued expenses	(201,258)	5,309	801
Deferred tax	-	(229)	(35)
Income taxes payable	1,687	1,134	171
Net cash (used in) provided by operating activities	**(23,069)**	**44,916**	**6,788**
Cash flows from investing activities:			
Proceeds from disposal of short term investments	223,721	1,100,581	166,324
Purchase of short term investment	(195,410)	(1,094,924)	(165,467)
Purchase of property and equipment	(684)	(473)	(73)
Purchase of long term investment	-	(5,000)	(756)
Prepaid for intangible asset	-	(461)	(70)
Acquired intangible asset	-	(458)	(69)
Distribution of short-term loans receivable	-	(139,000)	(21,006)
Collection of short-term loans receivable	12,152	90,361	13,656
Acquisition of subsidiaries from principal shareholder	-	(26,399)	(3,990)
Disposal of subsidiaries, net of cash disposed of RMB1,720 and nil in 2017 and 2018, respectively	55,990	-	-
Short-term loans (provided to)/ repaid by related parties	(74,695)	85,820	12,969
Net cash provided by investing activities	**21,074**	**10,047**	**1,518**
Cash flows from financing activities:			
Capital injection	30,000	-	-
Repayment of borrowing	(56,194)	-	-
Net cash used in financing activities	**(26,194)**	**-**	**-**
Net (decrease) increase in cash and cash equivalents, and restricted cash	**(28,189)**	**54,963**	**8,306**
Cash and cash equivalents, and restricted cash at beginning of year	**85,226**	**57,037**	**8,620**
Cash and cash equivalents, and restricted cash at end of year	**57,037**	**112,000**	**16,926**
Supplementary disclosure of cash flow information:			
Cash paid for:			
Interests	4,857	-	-
Income taxes	430	7,527	1,112

(In thousands, except for shares data)

1. ORGANIZATION AND PRINCIPAL ACTIVITIES

Puyi Inc. ("Puyi", or the "Company"), whose controlling shareholder is Mr. Yu Haifeng, is a holding company incorporated on August 6, 2018 in Cayman Islands whose operations are conducted through its subsidiaries and variable interest entity ("VIE"), primarily provides wealth management services to China's large and growing mass affluent population, whom are defined as those with RMB 600 to RMB 6 million in investable assets.

Puyi Group Limited ("Puyi Group") is a limited company established under the laws of the British Virgin Islands (the "BVI") on July 24, 2018.

Chengdu Puyi Bohui Information Technology Co., Ltd ("Puyi Bohui"), whose controlling shareholder is Mr. Yu Haifeng, was incorporated in Chengdu, PRC in April 2012, and is engaged in providing information technology services to third party customers and technical support to all of its PRC subsidiaries, which are described below.

Fanhua Puyi Fund Distribution Co., Ltd. ("Puyi Fund") was incorporated in Chengdu, PRC in November 2010, and is engaged in distributing privately raised fund products and asset management plans issued by securities firms through its online and offline distribution channels across PRC, to earn distribution commission fees and performance-based fees from the fund product issuers.

Shenzhen Puyi Zhongxiang Information Technology Co., Ltd. ("Puyi Zhongxiang") was incorporated in Shenzhen, PRC in April 2014, and is engaged in distributing exchange administered financial products through its online information display platform which is mainly accessible by its registered investors. Puyi Zhongxiang earns distribution commission fees from the issuers of these products.

Guangdong Puyi Asset Management Co., Ltd ("Puyi Asset") was incorporated in Shenzhen, PRC in May 2013, and is engaged in managing privately raised funds, from which Puyi Asset earns fund management fee based on the size of the fund and carried interest fee based on the performance of the funds managed.

Chongqing Fengyi Management Consulting Co., Ltd. ("Chongqing Fengyi") was incorporated in Chongqing, PRC in December 2016, and is engaged in corporate financing services by providing comprehensive financing solutions to corporate borrowers, from which Chongqing Fengyi earns service fees based on the amount of financing received by the corporate borrowers.

Shenzhen Baoying Factoring Co., Ltd. ("Shenzhen Baoying") was incorporated in Shenzhen, PRC in May 2018, and is engaged in providing factoring services. Due to its recent establishment, no business activities were conducted during the period since its inception through June 30, 2018.

Reorganization

In anticipation of an initial public offering ("IPO") of its equity securities, in September 2018, the Company undertook a reorganization and became the ultimate holding company of Puyi Group, Puyi HK, WFOE and Puyi Bohui and its subsidiaries, which were all controlled by the same shareholders before and after the Reorganization. Details of the subsidiaries and VIE of the Company are set out below:

Name	Date of incorporation/acquired	Place of incorporation	Percentage of effective ownership	Principal Activities
Wholly owned subsidiaries				
Puyi Group	July 2018	BVI	100%	Holding company
Puyi Holdings (Hong Kong) Limited ("Puyi HK")	July 2018	Hong Kong	100%	Holding company
Puyi Enterprises Management Consulting Co., Ltd. ("Puyi Consulting" or the Wholly Foreign-Owned Enterprise "WFOE")	August 2018	Chengdu	100%	WFOE
Variable Interest Entities ("VIEs")				
Puyi Bohui	April 2012	Chengdu	100%	Information technology
Puyi Fund	November 2010	Chengdu	84.59%	Fund product distribution
Puyi Zhongxiang	April 2014	Shenzhen	100%	Financial product distribution
Puyi Asset	May 2013	Shenzhen	100%	Asset management
Chongqing Fengyi	December 2016	Chongqing	100%	Corporate financing business
Shenzhen Baoying	May 2018	Shenzhen	85%	Factoring

Effective on September 6, 2018, shareholders of Puyi Bohui and WFOE entered into a series of contractual agreements ("VIE Agreements" which are described below). As a result, the Company, through its wholly owned subsidiaries Puyi Group, Puyi HK and WFOE, has been determined to be the primary beneficiary of Puyi Bohui and its subsidiaries; and Puyi Bohui and its subsidiaries became VIEs of the Company. Accordingly, the Company consolidates the operations, assets and liabilities of Puyi Bohui and its subsidiaries. Immediately before and after the Reorganization completed on September 6, 2018 as describe above, the Company together with its wholly-owned subsidiary Puyi Group, Puyi HK and WFOE, and its VIE were effectively controlled by the same shareholders; therefore, the reorganization was accounted for as a recapitalization. The accompanying consolidated financial statements have been prepared as if the current corporate structure has been in existence throughout the periods presented. The consolidation of the Company and its subsidiaries and VIE has been accounted for at historical cost as of the beginning of the first period presented in the accompanying financial statements.

Foreign ownership of certain parts of the Company's businesses including fund management services is subject to restrictions under current PRC laws and regulations. Puyi Inc. is a Cayman Islands company and the government of the Cayman Islands has not entered into a memorandum of understanding on bilateral regulatory cooperation with the CSRC. Accordingly, the Company is not eligible to conduct the fund management business by directly establishing a foreign-invested fund management company. To comply with PRC laws and regulations and utilize the ability in providing fund management services, the Company currently conduct the business activities through the VIE, Puyi Bohui and its subsidiaries. WFOE has entered into the following contractual arrangements with Puyi Bohui and its shareholders, which enable the Company to (i) exercise effective control over Puyi Bohui, (ii) receive substantially all of the economic benefits of Puyi Bohui, and (iii) have an exclusive option to purchase all or part of the equity interests and assets in Puyi Bohui when and to the extent permitted by PRC law. As a result of these contractual arrangements, the Company is fully and exclusively responsible for the management of Puyi Bohui, assumes all of risk of losses of Puyi Bohui and has the exclusive right to exercise all voting rights of Puyi Bohui's shareholders. Therefore, the Company is considered the primary beneficiary of Puyi Bohui and has consolidated Puyi Bohui's assets, liabilities, results of operations, and cash flows in the accompanying consolidated financial statements under U.S. GAAP.

(1) Power of Attorney. On September 6, 2018, each shareholder of Puyi Bohui, executed Power of Attorney agreement with WFOE and Puyi Bohui, whereby shareholders of Puyi Bohui irrevocably appoint and constitute WFOE as their attorney-in-fact to exercise on the shareholders' behalf any and all rights that shareholders of Puyi Bohui have in respect of their equity interests in Puyi Bohui. These two Power of Attorney documents became effective on September 6, 2018 and will remain irrevocable and continuously effective and valid as long as the original shareholders of Puyi Bohui remains as the Shareholders of Puyi Bohui.

(2) Exclusive Option Agreement. Puyi Bohui and its shareholders have entered into an Exclusive Option Agreement with WFOE on September 6, 2018. Under the Exclusive Option Agreement, the Puyi Bohui shareholders irrevocably granted WFOE (or its designee) an irrevocable and exclusive option to purchase, to the extent permitted under PRC law, once or at multiple times, at any time, part or all of their equity interests in Puyi Bohui. According to the Exclusive Option Agreement, the purchase price to be paid by the Company to each shareholder of the Puyi Bohui will be the RMB10 or certain other amount permitted by applicable PRC Law at the time when such share transfer occurs. The Exclusive Option Agreement became effective on September 6, 2018 and will remain effective permanently.

(3) Exclusive Technical and Consulting Services Agreement. On September 6, 2018, WFOE entered into an Exclusive Technical and Consulting Services Agreement with Puyi Bohui to enable WFOE to receive substantially all of the assets and business of Puyi Bohui in China. Under this Agreement, WFOE has the exclusive right to provide Puyi Bohui with comprehensive business support, technical and consulting services, and other services in relation to the principal business during the term of this Agreement utilizing its own advantages in management consulting, and technology and information. WFOE, or any other party designated by WFOE, may enter into further technical and consulting service agreements with Puyi Bohui, which shall provide the specific contents, manner, personnel, and fees for the specific consulting service. This Agreement became effective on September 6, 2018 and will remain effective unless otherwise terminated when all of the equity interest in Puyi Bohui held by its shareholders and/or all the assets of Puyi Bohui have been legally transferred to WFOE and/or its designee upon the approval of the board of directors of Puyi, Inc., in accordance with an Exclusive Option Agreement entered among WFOE, Puyi Bohui and its shareholders.

(4) Equity Interest Pledge Agreement. Under the Equity Interest Pledge Agreement dated September 6, 2018 among Puyi Bohui, each of the shareholders of Puyi Bohui and WFOE, each shareholder of Puyi Bohui agreed to pledge all of his or her equity interest in Puyi Bohui to WFOE to secure the performance of Puyi Bohui's obligations under the Exclusive Technical and Consulting Services Agreement and any such agreements to be entered into in the future. Under the terms of the agreement, in the event that Puyi Bohui or its shareholders breach their respective contractual obligations under the Exclusive Technical and Consulting Services Agreement, WFOE, as pledgee, will be entitled to certain rights, including, but not limited to, the right to collect dividends generated by the pledged equity interests. The Puyi Bohui shareholders also agreed that upon occurrence of any event of default, as set forth in the Equity Interest Pledge Agreement, WFOE is entitled to dispose of the pledged equity interest in accordance with applicable PRC laws. Shareholders of Puyi Bohui agreed not to transfer, sell, pledge, dispose of or otherwise create any encumbrance on their equity interests in Puyi Bohui without the prior written consent of WFOE. The Pledge became effective on such date when the pledge of the Equity Interest contemplated herein is registered with relevant administration for industry and commerce (the "AIC") and will remain effective until all payments due under the Exclusive Technical and Consulting Services Agreement has been fulfilled by Puyi Bohui, or upon the transfer of equity interests under the Exclusive Option Agreement entered into among the parties of this agreement.

(5) Spousal Consent Letters. On September 6, 2018, each spouse of the shareholders of Puyi Bohui executed a Spousal Consent, pursuant to which the spouses irrevocably agreed that the equity interest in Puyi Bohui held by them and registered in their names will be disposed of pursuant to the Equity Interest Pledge Agreement, the Exclusive Option Agreement and the Powers of Attorney. Each of the spouses of the shareholders agreed not to assert any rights over the equity interest in Puyi Bohui held by their respective spouses. In addition, in the event that any spouse obtains any equity interest in Puyi Bohui through the respective shareholder for any reason, the spouse agreed to be bound by the contractual arrangements.

Risks in relation to the VIE structure

The Company believes that the contractual arrangements with its VIE and their respective shareholders are in compliance with PRC laws and regulations and are legally enforceable. However, uncertainties in the PRC legal system could limit the Company's ability to enforce the contractual arrangements. If the legal structure and contractual arrangements were found to be in violation of PRC laws and regulations, the PRC government could:

- revoke the business and operating licenses of the Company's PRC subsidiary and VIE;
- discontinue or restrict the operations of any related-party transactions between the Company's PRC subsidiary and VIE;
- limit the Company's business expansion in China by way of entering into contractual arrangements;
- impose fines or other requirements with which the Company's PRC subsidiary and VIE may not be able to comply;
- require the Company or the Company's PRC subsidiary and VIE to restructure the relevant ownership structure or operations; or
- restrict or prohibit the Company's use of the proceeds of the additional public offering to finance the Company's business and operations in China.

The Company's ability to conduct its privately raised fund management business may be negatively affected if the PRC government were to carry out of any of the aforementioned actions. As a result, the Company may not be able to consolidate its VIE in its consolidated financial statements as it may lose the ability to exert effective control over the VIE and their respective shareholders and it may lose the ability to receive economic benefits from the VIE. The Company, however, does not believe such actions would result in the liquidation or dissolution of the Company, its PRC subsidiary and VIE.

The interests of the shareholders of VIE may diverge from that of the Company and that may potentially increase the risk that they would seek to act contrary to the contractual terms, for example by influencing VIE not to pay the service fees when required to do so. The Company cannot assure that when conflicts of interest arise, shareholders of VIE will act in the best interests of the Company or that conflicts of interests will be resolved in the Company's favor. Currently, the Company does not have existing arrangements to address potential conflicts of interest the shareholders of VIE may encounter in its capacity as beneficial owners and directors of VIE, on the one hand, and as beneficial owners and directors of the Company, on the other hand. The Company believes the shareholders of VIE will not act contrary to any of the contractual arrangements and the exclusive option agreements provide the Company with a mechanism to remove the current shareholders of VIE should they act to the detriment of the Company. The Company relies on certain current shareholders of VIE to fulfill their fiduciary duties and abide by laws of the PRC and act in the best interest of the Company. If the Company cannot resolve any conflicts of interest or disputes between the Company and the shareholders of VIE, the Company would have to rely on legal proceedings, which could result in disruption of its business, and there is substantial uncertainty as to the outcome of any such legal proceedings.

(In thousands, except for shares data)

Total assets and liabilities presented on the Company's consolidated balance sheets and sales, expense, net income presented on Consolidated Statement of Income as well as the cash flow from operating, investing and financing activities presented on the Consolidated Statement of Cash Flows are substantially the financial position, operation and cash flow of the Company's VIE Puyi Bohui and its subsidiaries. The following financial statements amounts and balances of the VIE were included in the accompanying consolidated financial statements as of June 30, 2017 and 2018 and for the years ended June 30, 2017 and 2018.

	As of June 30,		
	2017	2018	2018
	RMB (Combined – Note 4)	RMB	US$
Total assets	191,663	225,866	34,134
Total liabilities	33,113	32,214	4,869

	Years ended June 30,		
	2017	2018	2018
	RMB (Combined – Note 4)	RMB (Combined – Note 4)	US$ (Combined – Note 4)
Net revenues	155,691	165,811	25,058
Net income	39,640	63,617	9,614

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of presentation and consolidation

The consolidated financial statements of the Company have been prepared in accordance with accounting principles generally accepted in the United States of America ("US GAAP"). The consolidated financial statements include the financial statements of the Company, all its majority-owned subsidiaries and those VIEs of which the Company is the primary beneficiary, from the dates they were acquired or incorporated. All intercompany balances and transactions have been eliminated in consolidation.

The consolidated and combined financial statements for all periods presented are retrospectively adjusted to reflect the acquisition under common control of Chongqing Fengyi and Puyi Asset (see Note 4).

As discussed in Note 17, two subsidiaries of the Company had been disposed in December 2016 and the results of operations of these two subsidiaries were reported in discontinued operation as a separate component in the Company's consolidated statements of income for the year ended June 30, 2017.

(b) Use of estimates

The preparation of the consolidated financial statements in conformity with US GAAP requires management of the Company to make a number of estimates and assumptions relating to the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the period. Significant accounting estimates reflected in the Company's consolidated financial statements include but are not limited to estimates and judgments applied in the allowance for doubtful loans and receivables, impairment assessment of long-lived assets, valuation allowance for deferred tax assets, fair value measurement of investments, and uncertain tax positions, assumptions related to the consolidation of entities in which the Company holds variable interests. Actual results could differ from those estimates and judgments.

(c) Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, bank deposits and short-term, highly liquid investments that are readily convertible to known amounts of cash, and have insignificant risk of changes in value related to changes in interest rates.

(d) Restricted cash

Restricted cash mainly represents the investors' uninvested cash balances temporarily deposited in the Company's bank account. These cash balances were under the custody and supervision of the designated financial institution as required by China Securities Regulatory Commission, for the purpose of preventing abusive use of investors' funds.

(e) Accounts receivable, other receivables, and amount due from related parties, net

Accounts receivable, other receivables and amount due from related parties are recorded at net realizable value consisting of the carrying amount less an allowance for uncollectible accounts as needed. The allowance for doubtful accounts is the Company's best estimate of the amount of probable credit losses in the Company's existing accounts receivable, other receivables and due from related parties. The Company determines the allowance based on aging data, historical collection experience, customer specific facts and economic conditions. Account balances are charged off against the allowance after all means of collection have been exhausted and the potential for recovery is considered remote. The Company did not have any off-balance-sheet credit exposure relating to its customers, suppliers or others. For the years ended June 30, 2017 and 2018, the Company did not record any allowances for doubtful accounts against its accounts receivable, other receivables and amount due from related parties nor did it charge off any such amounts, respectively.

(f) Short-term loans receivable

The Company recognizes the contractual right to receive money on demand or on fixed or determinable dates as loans receivable. For those that the contractual maturity date is less than one year, the Company records as short-term loans receivable.

The Company recognized interest income on an accrue basis using the straight-line method over the fixed or determinable dates.

(g) Investments

The Company invests in debt securities and accounts for the investments based on the nature of the products invested, and the Company's intent and ability to hold the investments to maturity.

The Company's investments in debt securities include asset management plans and bank financial products which have a stated maturity and normally pay a prospective fixed rate of return, and secondary market equity fund products, the underlying assets of which are portfolios of equity investments in listed enterprises. The Company classifies the investments in debt securities as held-to-maturity when it has both the positive intent and ability to hold them until maturity. Held-to-maturity investments are recorded at amortized cost and are classified as long-term or short-term according to their contractual maturity. Long-term investments are reclassified as short-term when their contractual maturity date is less than one year. Investments that are bought and held principally for the purpose of selling them in the near term are classified as trading securities and are reported at fair value with changes in fair value recognized in earnings. Investments that do not meet the criteria of held-to-maturity or trading securities are classified as available-for-sale, and are reported at fair value with changes in fair value deferred in other comprehensive income.

The Company records investments in private equity funds, in which the Company acts as a limited partner with insignificant equity interest, as long-term investments on the consolidated balance sheet under the cost method. Gains or losses are realized when such investments are sold.

The Company reviews its investments except for those classified as trading securities for other-than-temporary impairment based on the specific identification method and considers available quantitative and qualitative evidence in evaluating potential impairment. If the cost of an investment exceeds the investment's fair value, the Company considers, among other factors, general market conditions, government economic plans, the duration and the extent to which the fair value of the investment is less than cost and the Company's intent and ability to hold the investment to determine whether an other-than-temporary impairment has occurred.

The Company recognizes other-than-temporary impairment in earnings if it has the intent to sell the investments or if it is more-likely-than-not that it will be required to sell the investments before recovery of its amortized cost basis. Additionally, the Company evaluates expected cash flows to be received and determines if credit-related losses on debt securities exist, which are considered to be other-than-temporary, should be recognized in earnings.

If the investment's fair value is less than the cost of an investment and the Company determines the impairment to be other-than-temporary, the Company recognizes an impairment loss based on the fair value of the investment. The Company has not recorded an other-than-temporary impairment for each of the years ended June 30, 2017 and 2018.

(h) Property and equipment, net

Property and equipment are stated at cost less accumulated depreciation. Cost represents the purchase price of the asset and other costs incurred to bring the asset into its existing use. Maintenance, repairs and betterments, including replacement of minor items, are charged to expense; major additions to physical properties are capitalized.

Depreciation and amortization are calculated using the straight-line method over the following estimated useful lives, without residual value:

	Estimated useful life
Furniture and office equipment	3-5 years
Leasehold improvements	Shorter of the remaining lease terms and estimated useful lives

(i) Intangible assets, net

Intangible assets represent software and operating system, including the office automatic system and transaction platform and fund distribution systems that were purchased from external third-party vendors. The intangible assets were initially recorded at historic acquisition costs, and amortized on a straight-line basis over estimated useful lives for three years.

Costs associated with the engineering and technical headcounts responsible for software development, as well as their associated costs, are expensed as incurred.

These intangible assets are tested for impairment at the time of a triggering event, if one were to occur. Finite-lived intangible assets may be impaired when the estimated undiscounted future cash flows generated from the assets are less than their carrying amounts. The Company may rely on a qualitative assessment when performing its intangible asset impairment test. Otherwise, the impairment evaluation is performed at the lowest level of identifiable cash flows independent of other assets.

(j) Impairment of long-lived assets

The Company reviews its long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may no longer be recoverable. When these events occur, the Company assesses the recoverability of the long-lived assets by comparing the carrying value of the long-lived assets to the estimated undiscounted future cash flows expected to result from the use of the assets and their eventual disposition where the fair value is lower than the carrying value, measurement of an impairment loss is recognized in the consolidated statements of operations and comprehensive income (loss) for the difference between the fair value, using the expected future discounted cash flows, and the carrying value of the assets. No impairment of long-lived assets was recognized for the years ended June 30, 2017 and 2018.

(k) Revenue recognition

The Company generates revenues mainly from wealth management, corporate financing, asset management and information technology and others.

The Company recognizes revenues when there is persuasive evidence of an arrangement, service has been rendered, the sales price is fixed or determinable and collectability is reasonably assured. Revenues are recorded, net of the related taxes and surcharges.

Wealth management

Revenue from wealth management mainly includes distribution commissions and performance-based fees, in a typical arrangement in which the Company serves as distributor.

Distribution commissions are primarily generated from 1) online distributions of financial products which include exchange administered products and publicly-raised fund products, and 2) offline distribution of privately-raised fund products. Performance-based fees are mainly contributed by the offline distributed privately raised fund products. Both types of revenue streams are paid by the corresponding financial product issuers.

Distribution commissions
The Company enters into distribution agreements with financial product issuers which specify the key terms and conditions of the arrangement. Such agreements do not include rights of return, credits or discounts, rebates, price protection or other similar privileges. Upon establishment of a financial product, the Company charges a distribution commission fee against the issuer by multiplying a pre-agreed annualized charge rate with the amount of products distributed through either online platform or offline sales network, prorated by the actual period length of the product.

The Company defines the “establishment of a financial product” for its revenue recognition purpose as the time when both of the following two criteria are met: (1) the product purchaser (the “investor”) has entered into a purchase or subscription contract with the relevant product issuer and the investor has transferred the subscription fund to an escrow account designated by the product issuer and (2) the product issuer has issued a formal notice to confirm the establishment of a financial product. Revenue is recorded upon the establishment of the financial products, when the provision of service concludes and the fee becomes fixed and determinable, assuming all other revenue recognition criteria have been met, and there are no future obligations or contingencies.

Performance-based fees
The Company earns performance-based fees mainly from the issuers of the privately raised fund products that it distributes, which is dependent on the extent by which the fund’s investment performance exceeds a certain threshold at the end of the contract term. Such performance-based fee is typically recognized and distributed at the end of the contract term when the cumulative return of the fund can be determined, and is not subject to clawback provisions. The Company has recognized performance-based income RMB nil and RMB 13,560 for years ended June 30, 2017 and 2018, respectively.

Corporate financing

The Company provides comprehensive financing solutions to corporate borrowers, including financing structure design, reference of sources and/or channels of funding, financing compliance and risk management services. Revenue is recognized when the financing fund is transferred to the corporate borrower and is calculated based on certain percentage of the amount financed.

Asset management

Revenue from asset management service mainly includes management fees and performance-based fees, in a typical arrangement in which the Company serves as fund manager.

Management fees
Revenue from asset management, includes management fee and carried interest from the privately-raised funds managed by the Company. Management fees are recognized in the period during which the related services are performed in accordance with the contractual terms of the fund agreements from the established date to the terminated date of the funds. Management fees earned from certain investment funds are based upon range up to 2% of capital committed. By unanimous consent among the fund manager, investors and the trustee, the fund could be terminated earlier than the contract period, and the remaining portion of unamortized management fee shall be returned to the investors.

Performance-based fees
The Company is entitled to a performance-based fee based on the extent by which the fund’s investment performance exceeds a certain threshold at the end of the contract term. Such performance-based fee is typically calculated and distributed at the end of the contract term when the cumulative return of the fund can be determined, and is not subject to clawback provisions. The Company does not record any performance-based income until the end of the contract term. There is no carried interest revenue recorded by the Company for the years ended June 30, 2017 and 2018.

Information technology and others

Information technology and others mainly represents revenue from the technological support and system development services provided to third parties. The services contract pricing is based on the expected labor cost, project management services fee plus a certain percentage of gross profit. Revenue is recognized according to completion percentage and total contract amount upon the acceptance of the services confirmed by the customers.

(l) Cost of sales

Cost of sales primarily includes (1) commission costs paid to sales agents based on the pre-agreed percentage and the amount of wealth management product distributions that were directly related to the contributions made by the sales agents, such as the amount of investments they've referred to the Company, and (2) transaction fees paid to the third-party payment platforms through which the investors purchase funds are transferred.

(m) Income taxes

The Company follows the guidance of ASC Topic 740 "Income taxes" and uses liability method to account for income taxes. Under this method, deferred tax assets and liabilities are determined based on the difference between the financial reporting and tax bases of assets and liabilities using enacted tax rates that will be in effect in the period in which the differences are expected to reverse. The Company records a valuation allowance to offset deferred tax assets, if based on the weight of available evidence, it is more-likely-than-not that some portion, or all, of the deferred tax assets will not be realized. The effect on deferred taxes of a change in tax rates is recognized in statement of income and comprehensive income in the period that includes the enactment date.

(n) Uncertain tax positions

The Company follows the guidance of ASC Topic 740 "Income taxes", which prescribes a more likely than not threshold for financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. This Topic also provides guidance on recognition of income tax assets and liabilities, classification of current and deferred income tax assets and liabilities, accounting for interest and penalties associated with tax positions, accounting for income taxes in interim periods, and income tax disclosures. The Company recognizes interest on non-payment of income taxes and penalties associated with tax positions when a tax position does not meet more likely than not thresholds be sustained under examination. The tax returns of the Company's PRC subsidiary and VIEs are subject to examination by the relevant tax authorities. According to the PRC Tax Administration and Collection Law, the statute of limitations is three years if the underpayment of taxes is due to computational errors made by the taxpayer or the withholding agent. The statute of limitations is extended to five years under special circumstances, where the underpayment of taxes is more than RMB100,000. In the case of transfer pricing issues, the statute of limitation is ten years. There is no statute of limitation in the case of tax evasion. During the years ended June 30, 2017 and 2018, the Company recognized RMB 2,000 and nil of provisions on its uncertain tax positions as a result its analysis over transfer pricing, respectively. The Company recognizes the provisions and any interest and penalties within the income tax expense line item in the accompanying Consolidated Statements of Income. The accrued provisions and any related interest and penalties balances are included in the other tax liabilities line in the Consolidated Balance Sheet.

(o) Non-controlling interest

A non-controlling interest in a subsidiary of the Company represents the portion of the equity (net assets) in the subsidiary not directly or indirectly attributable to the Company. Non-controlling interests are presented as a separate component of equity on the Consolidated Balance Sheet and net income and other comprehensive income are attributed to controlling and non-controlling interests.

(p) Fair value of financial instruments

The Company records certain of its financial assets and liabilities at fair value on a recurring basis. Fair value is considered to be the price that would be received from selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When determining the fair value measurements for assets and liabilities required or permitted to be recorded at fair value, the Company considers the principal or most advantageous market in which it would transact and considers assumptions that market participants would use when pricing the asset or liability. The established fair value hierarchy requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. A financial instrument's categorization within the fair value hierarchy is based upon the lowest level of input that is significant to the fair value measurement. The three levels of inputs may be used to measure fair value include:

Level 1	applies to assets or liabilities for which there are quoted prices in active markets for identical assets or liabilities.
Level 2	applies to assets or liabilities for which there are inputs other than quoted prices included within Level 1 that are observable for the asset or liability such as quoted prices for similar assets or liabilities in active markets; quoted prices for identical assets or liabilities in markets with insufficient volume or infrequent transactions (less active markets); or model-derived valuations in which significant inputs are observable or can be derived principally from, or corroborated by, observable market data.
Level 3	applies to assets or liabilities for which there are unobservable inputs to the valuation methodology that are significant to the measurement of the fair value of the assets or liabilities.

The carrying values of the Company's financial instruments, including cash and cash equivalents, restricted cash, accounts receivable, short-term held-to-maturity investments, commercial acceptance notes, other receivables, short-term loans receivable, commission payable and other payables, investors' deposit, amounts due from and due to related parties, and income taxes payables and other tax liabilities, approximate their fair values due to the short term nature of these instruments.

(q) Foreign Currency Translation and change in reporting currency

The Company's reporting and functional currency is Renminbi ("RMB"). The Company's operations are principally conducted through the subsidiaries and VIEs located in the PRC where the RMB is the functional currency. For those subsidiaries and VIEs which are not located in the PRC and have the functional currency other than RMB, the financial statements are translated from their respective functional currencies into RMB.

Assets and liabilities of the Company's overseas entities denominated in currencies other than the RMB are translated into RMB at the rates of exchange ruling at the balance sheet date. Equity accounts are translated at historical exchange rates and revenues, expenses, gains and losses are translated using the average rate for the year. Translation adjustments are reported as foreign currency translation adjustment and are shown as a separate component of other comprehensive income in the consolidated statements of comprehensive income.

Translations of amounts from RMB into US$ are solely for the convenience of the reader and were calculated at the rate of US$1.00 = RMB6.6171 on June 29, 2018, representing the certificated exchange rate published by the Federal Reserve Board. No representation is intended to imply that the RMB amounts could have been, or could be, converted, realized or settled into US$ at that rate on June 29, 2018, or at any other rate.

(r) Segment reporting

The Company uses the management approach to determine operating segments. The management approach considers the internal organization and reporting used by the Company's chief operating decision maker ("CODM") for making decisions, allocating resources and assessing performance. The Company's CODM has been identified as the chief executive officer, who reviews consolidated results when making decisions about allocating resources and assessing performance of the Company.

The Company manages its business as a single operating segment engaged in the provision of distribution and managing wealth management services in the PRC. Substantially all of its revenues are derived in the PRC. All long-lived assets are located in PRC.

(s) Earnings per share ("EPS")

Basic EPS is calculated by dividing the net income available to common shareholders by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is calculated by using the weighted average number of ordinary shares outstanding adjusted to include the potentially dilutive effect of outstanding share-based awards, unless their inclusion in the calculation is anti-dilutive.

(t) Discontinued operations

A discontinued operation may include a component of an entity or a group of components of an entity, or a business or nonprofit activity. A disposal of a component of an entity or a group of components of an entity is required to be reported in discontinued operations if the disposal represents a strategic shift that has (or will have) a major effect on an entity's operations and financial results when any of the following occurs: (1) the component of an entity or group of components of an entity meets the criteria to be classified as held for sale; (2) the component of an entity or group of components of an entity is disposed of by sale; (3) the component of an entity or group of components of an entity is disposed of other than by sale (for example, by abandonment or in a distribution to owners in a spinoff).

For any component classified as held for sale or disposed of by sale or other than by sale that qualifying for presentation as a discontinued operation in the period, the Company reports the results of operations of the discontinued operations (including any gain or loss recognized on the disposal or loss recognized on classification as held for sale of a discontinued operation), less applicable income taxes (benefit), as a separate component in the statement where net income (loss) is reported for current and all prior periods presented.

(u) Commitments and contingencies

The Company estimated losses from loss contingencies are accrued by a charge to income when information available before financial statements are issued or are available to be issued indicates that it is probable that an asset had been impaired or a liability had been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. Legal expenses associated with the contingency are expensed as incurred. If a loss contingency is not probable or reasonably estimable, disclosure of the loss contingency is made in the financial statements when it is at least reasonably possible that a material loss could be incurred.

(v) Recently issued accounting standards

In May 2014, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2014-09, Revenue from Contracts with Customers, which was subsequently modified in August 2015 by ASU No. 2015-14, Revenue from Contracts with Customers: Deferral of the Effective Date. The core principle of ASU No. 2014-09 is that companies should recognize revenue when the transfer of promised goods or services to customers occurs in an amount that reflects what the company expects to receive. It requires additional disclosures to describe the nature, amount, timing and uncertainty of revenue and cash flows from contracts with customers. In 2016, the FASB issued additional ASUs that clarify the implementation guidance on principal versus agent considerations (ASU 2016-08), on identifying performance obligations and licensing (ASU 2016-10), and on narrow-scope improvements and practical expedients (ASU 2016-12) as well as on the revenue recognition criteria and other technical corrections (ASU 2016-20). These new standards will identify performance obligations and narrow aspects on achieving core principle. The Company is currently evaluating the impact the adoption of this guidance may have on its financial statements, including with respect to the timing of the recognition of carried interest. The Company is an "emerging growth company," as defined in the Jumpstart Our Business Startups Act of 2012 (the "JOBS Act"). Under the JOBS Act, emerging growth companies ("EGCs") can delay adopting new or revised accounting standards issued subsequent to the enactment of the JOBS Act until such time as those standards apply to private companies. Therefore, the Company will not be subject to the same new or revised accounting standards as public companies that are not EGCs. The management has not yet selected a transition method. The Company anticipates adopting this new guidance on July 1, 2019, and plans on giving additional updates on its progress and further conclusions.

In January 2016, the FASB issued ASU No. 2016-01, *Financial Instruments - Recognition and Measurement of Financial Assets and Financial Liabilities.* The amendments in this update address certain aspects of recognition, measurement, presentation, and disclosure of financial instruments. The amendments in this update require public business entities that are required to disclose fair value of financial instruments measured at amortized cost on the balance sheet to measure that fair value using the exit price notion consistent with Topic 820, Fair Value Measurement. The amendments in this update require an entity to present separately in other comprehensive income the portion of the total change in the fair value of a liability resulting from a change in the instrument-specific credit risk when the entity has elected to measure the liability at fair value in accordance with the fair value option. The amendments in this Update require separate presentation of financial assets and financial liabilities by measurement category and form of financial asset (that is, securities or loans and receivables) on the balance sheet or in the accompanying notes to the financial statements. In addition, according to ASU No. 2016-01, all equity investments in unconsolidated entities (other than those accounted for using the equity method of accounting) will generally be measured at fair value through earnings. For equity investments without readily determinable fair values, the cost method is also eliminated. However, entities will be able to elect to record equity investments without readily determinable fair values at cost, less impairment, adjusted for subsequent observable price changes. Entities that elect this measurement alternative will report changes in the carrying value of the equity investments in current earnings. This election only applies to equity investments that do not qualify for the net asset value practical expedient. The impairment model for equity investments subject to this election is a single-step model. Under the single-step model, an entity is required to perform a qualitative assessment each reporting period to identify impairment. When a qualitative assessment indicates an impairment exists, the entity would estimate the fair value of the investment and recognize in current earnings an impairment loss equal to the difference between the fair value and the carrying amount of the equity investment. The measurement alternative may be elected separately on an investment by investment basis for each equity investment without a readily determinable fair value. Once elected, it should be applied consistently as long as the investment meets the qualifying criteria.

The amendments in this update are effective for fiscal years beginning after December 15, 2017, including interim periods within those fiscal years. For non-public business entities, early adoption is not permitted. The Company is currently evaluating the impact of adopting ASU No. 2016-01 on its consolidated financial statements.

In August 2016, the FASB issued ASU 2016-15, Statement of Cash Flows (Topic 230). The update is intended to improve financial reporting in regard to how certain transactions are classified in the statement of cash flows. This update requires that debt extinguishment costs be classified as cash outflows for financing activities and provides additional classification guidance for the statement of cash flows. The update also requires that the classification of cash receipts and payments that have aspects of more than one class of cash flows to be determined by applying specific guidance under generally accepted accounting principles. The update also requires that each separately identifiable source or use within the cash receipts and payments be classified on the basis of their nature in financing, investing or operating activities. The update is effective for public companies for fiscal years beginning after December 15, 2017, including interim periods within those fiscal years. The Company is still in the process of analyzing the impact of adoption of this guidance on the consolidated financial statements.

(In thousands, except for shares data)

In February 2017, the FASB issued ASU No. 2017-02, Leases (Topic 842), which requires lessees to recognize most leases on the balance sheet. This ASU requires lessees to recognize a right-of-use asset and lease liability for all leases with terms of more than 12 months. Lessees are permitted to make an accounting policy election to not recognize the asset and liability for leases with a term of twelve months or less. The ASU does not significantly change the lessees' recognition, measurement and presentation of expenses and cash flows from the previous accounting standard. Lessors' accounting under the ASC is largely unchanged from the previous accounting standard. In addition, the ASU expands the disclosure requirements of lease arrangements. Lessees and lessors will use a modified retrospective transition approach, which includes a number of practical expedients. The provisions of this guidance are effective for annual periods beginning after December 15, 2018, and interim periods within those years, with early adoption permitted. The Company is in the process of evaluating the impact of adoption of this guidance on the Company's consolidated financial statements.

In June 2017, the FASB issued ASU 2017-13, Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments, which is intended to improve financial reporting by requiring timelier recording of credit losses on loans and other financial instruments held by financial institutions and other organizations. The ASU requires the measurement of all expected credit losses for financial assets held at the reporting date based on historical experience, current conditions, and reasonable and supportable forecasts. Financial institutions and other organizations will now use forward-looking information to better inform their credit loss estimates. Many of the loss estimation techniques applied today will still be permitted, although the inputs to those techniques will change to reflect the full amount of expected credit losses. Organizations will continue to use judgment to determine which loss estimation method is appropriate for their circumstances. The ASU requires enhanced disclosures to help investors and other financial statement users better understand significant estimates and judgments used in estimating credit losses, as well as the credit quality and underwriting standards of an organization's portfolio. These disclosures include qualitative and quantitative requirements that provide additional information about the amounts recorded in the financial statements. In addition, the ASU amends the accounting for credit losses on available-for-sale debt securities and purchased financial assets with credit deterioration. The ASU is effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2019. The Company is in the process of evaluating the impact of adoption of this guidance on the Company's consolidated financial statements.

Other accounting pronouncements that have been issued or proposed by the FASB or other standards-setting bodies that do not require adoption until a future date are not expected to have a material impact on the Company's consolidated financial statements upon adoption.

3. CASH, CASH EQUIVALENTS AND RESTRICTED CASH

The following table provides a reconciliation of cash, cash equivalents, and restricted cash reported within the consolidated balance sheets that sum to the total of the same such amounts shown in the consolidated statements of cash flows.

	Years ended June 30,		
	2017	2018	2018
	RMB (Combined – Note 4)	RMB	US$
Cash and cash equivalent	55,196	103,228	15,600
Restricted cash	1,841	8,772	1,326
Total cash, cash equivalents, and restricted cash shown in the consolidated statements of cash flows	57,037	112,000	16,926

4. ACQUISITION OF SUBSIDIARIES UNDER COMMON CONTROL

On January 5, 2018, Puyi Bohui acquired 100% of equity interest of a subsidiary, Chongqing Fengyi, from Mr. Yu Haifeng, the controlling shareholder, Chairman and CEO of the Company, for a consideration of RMB 2,450. Prior to the acquisition, Chongqing Fengyi was held by Mr. Yu Haifeng since its inception.

On June 5, 2018, Puyi Bohui acquired 100% of equity interest of another subsidiaries, Puyi Asset, from Mr. Yu Haifeng, the controlling shareholder, Chairman and CEO of the Company, for a consideration of RMB 26,060. On October 9, 2016, there was a capital injection of RMB30,000 to Puyi Asset.

The two acquisitions were accounted for as acquisition of subsidiaries under common control. Accordingly, the financial statements of these two acquired subsidiaries were accounted for as if the acquisition had been consummated at the beginning of the earliest period presented in which Puyi Bohui, Chongqing Fengyi and Puyi Asset became commonly controlled, with no gains or losses recognized.

(In thousands, except for shares data)

In accordance with ASC 805-50, the assets and liabilities and operations of the Company and the two subsidiaries were combined at their historical carrying amounts, and all periods presented were adjusted as if the entities had always been combined since July 1, 2016.

5. INVESTMENTS

The following table summarizes the Company's investment balances:

	As of June 30,		
	2017	2018	2018
	RMB (Combined – Note 4)	RMB	US$
Short-term investments			
- Held-to-maturity investments	14,043	5,010	757
Asset management plans	14,043	5,010	757
- Trading securities investments	200	-	-
Bank financial products	200	-	-
Total short-term investments	14,243	5,010	757
Long-term investments			
- Private equity funds products	-	5,000	756
Total long-term investments	-	5,000	756

Held-to-maturity investments consist of investments in fixed income products, such as asset management plans that have stated maturity and normally pay a prospective fixed rate of return, carried at amortized cost. The Company recorded investment income on these products of RMB422 and RMB2,562 for the years ended June 30, 2017 and 2018, respectively.

Trading securities investments consist of an investment in a bank financial product that could be redeemed at any time. The investment is recorded at fair value on a recurring basis. The Company recorded investment income on these investments of RMB1,293 and RMB2,582 for the years ended June 30, 2017 and 2018, respectively.

Long-term investments consist of investments in several private equity funds as a limited partner with insignificant equity interest (less than 1%). The Company accounted for these private equity funds investments using the cost method of accounting due to the fact that the Company has no significant influence on the investees.

6. COMMERCIAL ACCEPTANCE NOTES

The commercial acceptance notes are measured at their face value less the amount of discounts which will be amortized as interest income throughout the holding period of the commercial acceptance notes. The Company has the right of recourse of these debt securities, and expects to collect the full face value in lump-sum upon the maturity of these notes. Impairments of these notes are analyzed whenever events or changes in circumstances indicate that the carrying amount of these notes may no longer be recoverable.

On May 18, 2018, the Company acquired, through endorsements, commercial acceptance notes with a face value of approximately RMB11,380 from the previous holders at an annual discount rate of 8.50%. These notes will gradually reach maturity before May, 2019. The Company recognized interest income on endorsements notes of approximately RMB nil and RMB1,632 during the year ended June 30, 2017 and 2018, respectively.

7. ACCOUNTS RECEIVABLE, NET

	As of June 30,		
	2017	2018	2018
	RMB (Combined – Note 4)	RMB	US$
Accounts receivable	23,116	30,757	4,648
Allowance for doubtful debts	-	-	-
Accounts receivable, net	23,116	30,757	4,648

All of the accounts receivable are non-interest bearing, with aging within 3 months.

(In thousands, except for shares data)

8. OTHER RECEIVABLES

Other receivables consist of the following:

	As of June 30,		
	2017	2018	2018
	RMB (Combined – Note 4)	RMB	US$
Advances to staff	250	474	72
Prepayments to service providers	3,118	3,304	499
Rental deposits	1,188	1,680	254
Others	275	271	41
Other receivables	4,831	5,729	866

9. SHORT-TERM LOANS RECEIVABLE

As of June 30, 2018, the balance mainly represents a loan of RMB50,000 to a real estate developing company for one year from June 5, 2018 to June 4, 2019, with annual interest of 10%. The loan was guaranteed by the legal representative and the controlling shareholder of the real estate developing company. The loan of RMB50,000 with interests has been early repaid in July 2018.

The Company recognized interest income on short-term loans receivable of approximate RMB nil and RMB 1,393 during the years ended June 30, 2017 and 2018, respectively.

10. PROPERTY AND EQUIPMENT, NET

Property and equipment, net, is comprised of the following:

	As of June 30,		
	2017	2018	2018
	RMB (Combined – Note 4)	RMB	US$
Furniture and office equipment	1,478	1,784	270
Leasehold improvements	466	612	93
	1,944	2,396	363
Less: Accumulated depreciation	(923)	(1,506)	(228)
Property and equipment, net	1,021	890	135

Depreciation expense for the year ended June 30, 2017 and 2018 was RMB433 and RMB604, respectively.

No impairment for property and equipment was recorded for the years ended June 30, 2017 and 2018.

11. INTANGIBLE ASSETS, NET

	As of June 30,		
	2017	2018	2018
	RMB (Combined – Note 4)	RMB	US$
Software and operating system	4,623	5,081	768
Less: Accumulated amortization	(3,120)	(4,381)	(662)
Intangible asset, net	1,503	700	106

Amortization expense for the year ended June 30, 2017 and 2018 was RMB1,232 and RMB1,261, respectively.

(In thousands, except for shares data)

12. INVESTORS' DEPOSIT

The balance represents the investors' uninvested cash balances temporarily deposited in the Company's bank account. These cash balances were under the custody and supervision of the designated financial institution as required by China Securities Regulatory Commission, for the purpose of preventing abusive use of investors' funds.

13. OTHER PAYABLES AND ACCRUED EXPENSES

Components of other payables and accrued expenses are as follows:

	As of June 30,		
	2017	2018	2018
	RMB (Combined – Note 4)	RMB	US$
Payroll payable	3,507	3,229	488
Promotion expense received from issuers in advance	1,473	-	-
Value-added tax	1,589	1,900	287
Individual income tax	482	479	72
Other miscellaneous taxes	75	143	22
Others	626	378	57
Other payables and accrued expenses	7,752	6,129	926

14. INCOME TAXES

The Company and its subsidiaries, and the consolidated VIEs file tax returns separately.

1) Value added tax ("VAT")

Pursuant to the Provisional Regulation of the PRC on VAT and the related implementing rules, all entities and individuals ("taxpayers") that are engaged in the service industry in the PRC are generally required to pay VAT at a rate of 6% of the gross sales proceeds received, less any deductible VAT already paid or borne by the taxpayers. The Company's PRC subsidiary and the consolidated VIE are subject to VAT at 6% of their revenues.

2) Income tax

Cayman Islands

The Company is incorporated in the Cayman Islands. Under the current laws of the Cayman Islands, the Company is not subject to income or capital gains taxes. In addition, dividend payments are not subject to withholdings tax in the Cayman Islands.

British Virgin Islands

The Company's subsidiary incorporated in the BVI is not subject to taxation.

Hong Kong

Puyi HK, which was incorporated in Hong Kong, is subject to a corporate income tax rate of 16.5%.

PRC

The Company's subsidiary and VIEs incorporated in PRC are subject to PRC Enterprise Income Tax ("EIT") law. Pursuant to the relevant laws and regulations in the PRC, Puyi Bohui is regarded as an accredited software company and a High and New Technology Enterprise ("HNTE"), and thus enjoys preferential tax treatments, including being exempted from PRC Income Tax for two years starting from its first profit-making year, followed by a 50% reduction for the next three years. For Puyi Bohui, tax year 2015 was the first profit-making year and accordingly, Puyi Bohui has made a 12.5% tax provision for its profits from January 1, 2017. Puyi Zhongxiang is qualified for Shenzhen Qianhai modern services cooperation district entity tax preference and is subject to an income tax rate for 15%. Chongqing Fengyi is qualified for west development taxation preference and is subject to an income tax rate for 15%. The Company's PRC subsidiary and other subsidiaries of the VIE are subject to a standard 25% EIT.

(In thousands, except for shares data)

The components of the income tax provision are:

	Years Ended June 30,		
	2017	2018	2018
	RMB (Combined – Note 4)	RMB (Combined – Note 4)	US$ (Combined – Note 4)
Current	4,117	8,490	1,283
Deferred	3,524	(229)	(35)
Total income tax provision	7,641	8,261	1,248

The principal components of the deferred income tax assets and liabilities are as follows:

	As of June 30,		
	2017	2018	2018
	RMB (Combined – Note 4)	RMB	US$
Non-current deferred tax assets:			
Tax loss carry forward, after offset unrecognized tax benefits	4,012	4,241	640
Less: valuation allowances	-	-	-
Total	4,012	4,241	640

The Company considers positive and negative evidence to determine whether some portion or all of the deferred tax assets will more likely than not be realized. This assessment considers, among other matters, the nature, frequency and severity of recent losses, forecasts of future profitability, the duration of statutory carry forward periods, the Company's experience with tax attributes expiring unused and tax planning alternatives. Valuation allowances have been established for deferred tax assets based on a more-likely-than-not threshold. The Company's ability to realize deferred tax assets depends on its ability to generate sufficient taxable income within the carry forward periods provided for in the tax law. No valuation allowance against the deferred tax assets is considered necessary since the Company believes that it will more likely than not utilize the future benefits.

The Company had total tax loss carry-forwards of RMB22,112 and RMB16,965 as of June 30, 2017 and 2018, respectively. As of June 30, 2018, the tax loss carry-forwards of RMB4,616, RMB2,335, and RMB10,014 are to expire for the years ending June 30, 2021, 2022 and 2023, respectively. During the years ended June 30, 2017 and 2018, there was no tax loss carried forward expired and canceled.

Reconciliation between the statutory tax rate to income before income taxes and the actual provision for income taxes is as follows:

	Years ended June 30,		
	2017	2018	2018
	RMB (Combined – Note 4)	RMB (Combined – Note 4)	US$ (Combined – Note 4)
Income from continuing operations before income taxes and discontinued operations	47,535	71,878	10,862
PRC income tax statutory rate	25%	25%	25%
Income tax at statutory tax rate	11,884	17,970	2,716
Preferential tax treatments and tax holiday effects	(6,106)	(8,937)	(1,350)
Super deduction of qualified R&D expenditures	(137)	(772)	(118)
Uncertain tax provision	2,000	-	-
Income tax expense	7,641	8,261	1,248

The current PRC EIT Law imposes a 10% withholding income tax for dividends distributed by foreign invested enterprises to their immediate holding companies outside the PRC. A lower withholding tax rate will be applied if there is a tax treaty arrangement between the PRC and the jurisdiction of the foreign holding company. Distributions to holding companies in Hong Kong that satisfy certain requirements specified by PRC tax authorities, for example, will be subject to a 5% withholding tax rate.

(In thousands, except for shares data)

As of June 30, 2017 and 2018, the Company had not recorded any withholding tax on the retained earnings of its foreign invested enterprises in the PRC, since the Company intends to reinvest its earnings to further expand its business in mainland China, and its foreign invested enterprises do not intend to declare dividends to their immediate foreign holding companies.

The Company analyzes its uncertain income tax positions concerning with transfer pricing. When such potential impact is identified, the Company recognize 100% of the calculated income tax exposure as an income tax expense.

Movements of other tax liabilities are as follows:

	RMB (Combined – Note 4)	US$ (Combined – Note 4)
Balance as of June 30, 2016	6,700	1,013
Provisions for uncertain tax positions in fiscal year 2017	2,000	302
Balance as of June 30, 2017	8,700	1,315
Provisions for uncertain tax positions in fiscal year 2018	-	-
Balance as of June 30, 2018	8,700	1,315

15. EARNINGS PER SHARE

The computation of basic and diluted net income per ordinary share is as follows:

	Year ended June 30,		
	2017	2018	2018
	RMB (Combined – Note 4)	RMB (Combined – Note 4)	US$ (Combined – Note 4)
Numerator:			
Net income from continuing operations	39,894	63,617	9,614
Net loss from discontinued operations	(254)	-	-
Net income	39,640	63,617	9,614
Less: Net income (loss) attributable to the non-controlling interests	1,827	(979)	(148)
Net income attributable to the Company's shareholders	37,813	64,596	9,762
Denominator:			
Weighted average number of ordinary shares outstanding	80,000,000	80,000,000	80,000,000
Basic & diluted net income from continuing operations per ordinary share	0.476	0.807	0,122
Basic & diluted net loss from discontinued operations per ordinary share	(0.003)	-	-
Basic & diluted net income per ordinary share	0.473	0.807	0,122

16. RESTRICTED NET ASSETS

As most of the Company's operations are conducted through its PRC subsidiary and VIEs, the Company's ability to pay dividends is primarily dependent on receiving distributions of funds from its PRC subsidiary and VIEs. Relevant PRC statutory laws and regulations permit payments of dividends by its PRC subsidiary and VIEs only out of their retained earnings, if any, as determined in accordance with PRC accounting standards and regulations and after it has met the PRC requirements for appropriation to statutory reserves. Paid in capital of the PRC subsidiary and VIEs included in the Company's consolidated net assets are also non-distributable for dividend purposes.

In accordance with the PRC regulations on Enterprises with Foreign Investment, a WFOE established in the PRC is required to provide certain statutory reserves, namely general reserve fund, the enterprise expansion fund and staff welfare and bonus fund which are appropriated from net profit as reported in the enterprise's PRC statutory accounts. A WFOE is required to allocate at least 10% of its annual after-tax profit to the general reserve until such reserve has reached 50% of its registered capital based on the enterprise's PRC statutory accounts. Appropriations to the enterprise expansion fund and staff welfare and bonus fund are at the discretion of the board of directors. The aforementioned reserves can only be used for specific purposes and are not distributable as cash dividends. Puyi Consulting is subject to the above mandated restrictions on distributable profits.

(In thousands, except for shares data)

Additionally, in accordance with the Company Law of the PRC, a domestic enterprise is required to provide a statutory common reserve of at least 10% of its annual after-tax profit until such reserve has reached 50% of its registered capital based on the enterprise's PRC statutory accounts. A domestic enterprise is also required to provide for a discretionary surplus reserve, at the discretion of the board of directors. The aforementioned reserves can only be used for specific purposes and are not distributable as cash dividends. All of the Company's PRC VIEs are subject to the above mandated restrictions on distributable profits.

As a result of these PRC laws and regulations, the Company's PRC subsidiary and VIEs are restricted in their ability to transfer a portion of their net assets to the Company. As of June 30, 2017 and 2018, net assets restricted in the aggregate, which include paid-in capital and statutory reserve funds of the Company's PRC subsidiary and VIEs that were included in the Company's consolidated net assets, were approximately RMB 215,453 and RMB231,277 respectively.

17. DISCONTINUED OPERATIONS

Disposal of subsidiaries

In December 2016, the Company disposed two subsidiaries, whose main business was offline trading of asset management. This disposal constituted a strategic shift as the Company planned to focus on its wealth management, asset management and corporate financing businesses in its future developments. The two entities had a net asset value of RMB 66,288 and were disposed to third party buyers for a total cash consideration of RMB57,710, accordingly, the Company recognized a disposal loss of RMB 8,578, which was determined by the excess of the net book value of the subsidiaries as of November 30, 2016 over the total cash consideration received. The disposal was completed in December 2016. Consideration of RMB 57,710 was received fully by the year ended June 30, 2017.

The assets and liabilities of the two disposed entities as of November 30, 2016 consisted of the following:

	November 30, 2016	
	RMB	**US$**
ASSETS HELD FOR SALE		
Cash and cash equivalents	1,720	260
Investment in finance products	135,400	20,462
Accounts receivable, net	26,251	3,967
Other receivable	1,520,828	229,833
Total current assets	1,684,199	254,522
Property and equipment, net	49	7
Total Assets	**1,684,248**	**254,529**
LIABILITIES HELD FOR SALE		
Current Liabilities		
Other payable and accrued expenses	(1,615,392)	(244,124)
Accrued payroll	(296)	(45)
Income tax payable	(2,272)	(343)
Total current liabilities	(1,617,960)	(244,512)
Total Liabilities	**(1,617,960)**	**(244,512)**

The following table presents a reconciliation of the major classes of line items constituting pretax from discontinued operations to after-tax profit reported in discontinued operations for the year ended June 30, 2017:

	July 1, 2016 through November 30, 2016	
	RMB	**US$**
Revenue	16,056	2,426
Profit before tax	10,433	1,577
Loss on disposal of subsidiaries	(8,578)	(1,296)
Income tax	(2,109)	(319)
Net loss from discontinued operation	(254)	(38)

(In thousands, except for shares data)

The following are selective cash flow information from discontinued operations:

	July 1, 2016 through November 30, 2016	
Cash flow from discontinued operations:	**RMB**	**US$**
Net cash generated from operating activities	(8,101)	(1,224)
Net cash used in investing activities	3,996	604
Net cash generated from financing activities	4,702	710
Net cash increase in cash and cash equivalents	597	90
Cash and cash equivalents at beginning of year	1,123	170
Cash and cash equivalents at the disposal date	1,720	260

18. RELATED PARTY TRANSACTIONS

The following is a list of the related parties with whom the Company conducted significant transactions, and their relationship with the Company:

Related parties	Relationship
Mr. Yu Haifeng	Controlling shareholder, CEO and Chairman of the Company
Renshou Xinrui	Ultimately controlled by Mr. Yu
Shenzhen Chuang Jia Investment LLP (“Chuang Jia”)	Ultimately controlled by Mr. Yu
Guangdong Jintaiping Asset Management Service Co., Ltd. (“Jintaiping”)	Mr. Yu Haifeng was the legal representative of this company until July 14, 2017.

The principal related party balances and transactions as of and for the years ended June 30, 2017 and 2018 are as follows:

Amounts due from related parties:

	As of June 30,		
	2017	2018	2018
	RMB (Combined – Note 4)	RMB	US$
Renshou Xinrui	26,400	-	-
Chuang Jia	59,500	-	-
Mr. Yu Haifeng	-	80	12
Total	85,900	80	12

Amounts due from Renshou Xinrui and Chuangjia are the short-term interest-free loans lent by the Company.

Amount due from Mr. Yu Haifeng are business advances of operational purposes and have already been settled in July, 2018.

Amounts due to related parties:

	As of June 30,		
	2017	2018	2018
	RMB (Combined – Note 4)	RMB	US$
Due to principal shareholder for purchase of subsidiaries	-	2,116	320

(In thousands, except for shares data)

The balance of RMB 2,116 as of June 30, 2018 was a result of the acquisition of subsidiaries under common control that have been disclosed in Note 4 above. The full balance has been settled in July, 2018.

Related party transactions:

	Nature	Year ended June 30, 2017 RMB (Combined – Note 4)	Year ended June 30, 2018 RMB (Combined – Note 4)	Year ended June 30, 2018 US$ (Combined – Note 4)
Renshou Xinrui	(a)	28,020	-	-
Chuang Jia	(a)	147,573	10,000	1,511
Yu, Haifeng	(b)	-	285	43
Renshou Xinrui	(b)	-	28,230	4,266
Jintaiping	(c)	188	-	-

Nature of transactions:

(a) Loan provided by the Company to related party.
(b) Purchase of shares of subsidiaries under common control.
(c) Social insurance and housing fund paid by the Company on behalf of related party.

19. SHAREHOLDERS' EQUITY

The shareholders' equity structures as of June 30, 2017 and 2018 were presented after giving retroactive effect to the reorganization of the Company that was completed on September 6, 2018. Immediately before and after reorganization, the Company together with its wholly-owned subsidiaries, Puyi Group, Puyi HK and WFOE and its VIEs were effectively controlled by the same shareholders; therefore, for accounting purpose, the reorganization was accounted for as a recapitalization.

Puyi Inc. was established under the laws of the Cayman Islands on August 6, 2018. The authorized number of ordinary shares is 2,000,000,000 shares with par value of US$0.001 each. On August 6, 2018, the Company issued an aggregate of 80,000,000 ordinary shares at a price of US$0.001 per share with total consideration of US$80, pro-rata to the shareholders of the Company as of such date. In accordance with SEC SAB Topic 4, the nominal share issuance was accounted for as a stock split and that all share and per share information has been retrospectively restated to reflect such stock split for all periods presented.

As of June 30, 2017 and 2018, 80,000,000 ordinary shares were issued at par value, equivalent to share capital of US$80, which was outstanding as of the issuance date of the financial statements.

20. NON-CONTROLLING INTEREST

Puyi Fund and Shenzhen Baoying are the Company's majority-owned subsidiaries held through Puyi Bohui and Puyi Asset, respectively, and are consolidated in the Company's financial statements with non-controlling interest recognized.

On November 21, 2016, Puyi Bohui has made an additional capital injection of RMB 13,601 into Puyi Fund, causing Puyi Bohui's controlling shareholding interest to increase from 80.52% to 84.59%. The balance of NCI has increase by RMB 102 in response to the injection.

As of June 30, 2017 and 2018, non-controlling interest in the consolidated balance sheet was RMB 9,838 and RMB 8,859, respectively.

(In thousands, except for shares data)

21. COMMITMENT AND CONTINGENCIES

Operating lease commitments

The Company has several non-cancelable operating leases, primarily for office premises.

Future minimum lease payments under non-cancelable operating leases (with initial or remaining lease terms in excess of one year) and future minimum operating lease payments as of June 30, 2018 are:

	Minimum Lease Payment RMB	Minimum Lease Payment US$
Year ending June 30:		
2019	4,343	656
2020	3,033	458
2021	2,182	330
2022	1,680	254
2023	1,489	225
After 2023	789	120
Total	13,516	2,043

Rental expenses incurred under operating leases for the year ended June 30, 2017 and 2018 amounted to RMB2,802 and RMB4,026 respectively.

Contingencies

In the ordinary course of business, the Company may be subject to legal proceeding regarding contractual and employment relationships and a variety of other matters. The Company records contingent liabilities resulting from such claims, when a loss is assessed to be probable and the amount of the loss is reasonably estimable.

The Company has no significant pending litigation as of issuance date of the financial statements.

22. CONCENTRATIONS

Concentration risks

Details of the customers accounting for 10% or more of total net revenues are as follows:

	Year ended June 30				
	2017 RMB (Combined – Note 4)	% of net revenues (Combined – Note 4)	2018 RMB (Combined – Note 4)	2018 US$ (Combined – Note 4)	% of net revenues (Combined – Note 4)
Company A	42,618	27.4%	*	*	*
Company B	40,125	25.8%	*	*	*
Company C	32,844	21.1%	47,856	7,232	28.9%
Company D	*	*	44,452	6,718	26.8%
Company E	*	*	27,855	4,210	16.8%
	115,587	74.3%	120,163	18,160	72.5%

* represented less than 10% of total net revenues for the fiscal year.

(In thousands, except for shares data)

Details of the customers which accounted for 10% or more of accounts receivable are as follows:

	As of June 30,				
	2017	%	2018	2018	%
	RMB (Combined – Note 4)	(Combined – Note 4)	RMB	US$	
Company C	4,292	18.6%	27,633	4,176	89.8%
Company E	8,273	35.8%	*	*	*
Company A	5,881	25.4%	*	*	*
	18,446	79.8%	27,633	4,176	89.8%

* represented less than 10% of account receivables as of the year end.

23. SUBSEQUENT EVENTS

On July 3, 2018, the Company has entered into share purchase agreement for the acquisition of 51% equity interest in Shenzhen Qianhai Zhonghui Huiguan Investment Management Co., Ltd. (“Zhonghui”) from a third party individual for a cash consideration of RMB1,631. The net book value of the Zhonghui as of June 30, 2018 was approximately RMB 3,199.

On September 3, 2018, the Company has entered into a share purchase agreement with Beijing Fanlian Investment Limited (“Beijing Fanlian”) for the acquisition of additional 15.41% equity interest in Puyi Fund, bringing the Company’s total shares in Puyi Fund to 100%, in return, the Company issued an additional 4,033,600 new ordinary shares on September 5, 2018 to Fanhua Inc., a listed company on Nasdaq (FANH. US), which is the ultimately shareholder of Beijing Fanlian. After the issuance of the new shares, Fanhua Inc. holds 4.8% of the equity interest in the Company.

The Company has evaluated subsequent events through the issuance of the consolidated financial statements and no other subsequent event is identified that would have required adjustment or disclosure in the consolidated financial statements.

PART II

INFORMATION NOT REQUIRED IN PROSPECTUS

Item 6. Indemnification of Directors and Officers

Cayman Islands law does not limit the extent to which a company's articles of association may provide for indemnification of officers and directors, except to the extent any such provision may be held by the Cayman Islands courts to be contrary to public policy, such as to provide indemnification against civil fraud or the consequences of committing a crime.

The post-offering amended and restated articles of association that we expect to adopt to become effective immediately prior to the completion of this offering provide for indemnification of officers and directors for losses, damages, costs and expenses incurred in their capacities as such only if they acted honestly and in good faith with a view to the best interests of our company and, in the case of criminal proceedings, only if they had no reasonable cause to believe that their conduct was unlawful.

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

Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers or persons controlling the registrant pursuant to the foregoing provisions, the registrant has been informed that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act and is therefore unenforceable.

Item 7. Recent Sales of Unregistered Securities

The information below lists all of the securities sold by us during the past three years which were not registered under the Securities Act:

Purchaser	Date of Sale or Issuance	No. of Ordinary Shares	Consideration	Securities Registration Exemption
Worldwide Success Group	August 6, 2018	79,232,000	US$79,232	Securities Act Section 4(a)(2) and Regulation S, Rules 901 and 903
Future One Holdings Limited	August 6, 2018	768,000	US$768	Securities Act Section 4(a)(2) and Regulation S, Rules 901 and 903
Fanhua Inc.	September 5, 2018	4,033,600	US$1,468,976.8	Securities Act Section 4(a)(2) and Regulation S, Rules 901 and 903

All issuances of ordinary shares to these shareholders were deemed to be exempt under the Securities Act by virtue of Section 4(2) thereof as transactions not involving any public offering. In addition, the issuance of such shares was deemed not to fall within Section 5 under the Securities Act and to be further exempt under Rule 901 and 903 of Regulation S by virtue of being issuances of securities by non-U.S. companies to non-U.S. citizens or residents, conducted outside the United States and not using any element of interstate commerce. None of the transactions involved an underwriter.

Item 8. Exhibits and Financial Statement Schedules

(a) Exhibits

The following exhibits are filed herewith or incorporated by reference in this prospectus:

Exhibit No.	Exhibit title
1.1*	Form of Underwriting Agreement
3.1	Memorandum and Articles of Association of the Registrant, as currently in effect
3.2	Form of Second Amended and Restated Memorandum and Articles of Association of the Registrant (effective immediately prior to the closing of this offering)
4.1*	Specimen Share Certificate for ordinary shares
4.2	Form of Chengdu Puyi Bohui Information Technology Co., Ltd. Equity Entrustment Agreement (same as Exhibit 10.23)
4.3	Purchase Agreement between Fanhua Inc. and Puyi Inc. dated September 5, 2018 (same as Exhibit 10.26)
4.4*	Registrant's Specimen American Depositary Receipt
4.5*	Form of Deposit Agreement, among the Registrant, the Depositary and Beneficial Owners of the American Depositary Receipts
5.1	Opinion of Walkers regarding the validity of the ordinary shares being registered and certain other legal matters
8.1	Form of opinion of GFE Law Office with respect to tax matters (included in Exhibit 99.2)
8.2	Opinion of Walkers regarding certain Cayman Islands tax matters (included in Exhibit 5.1)
10.1	Instrument of Transfer between Worldwide Success Group Limited and Advance Tycoon Limited dated August 31, 2018
10.2	Instrument of Transfer between Worldwide Success Group Limited and Danica Surge Limited dated August 31, 2018
10.3	Instrument of Transfer between Worldwide Success Group Limited and Winter Dazzle Limited dated August 31, 2018
10.4	Equity Interest Transfer Agreement between Yu Haifeng and Chengdu Puyi Bohui Information Technology Co., Ltd. dated August 7, 2018
10.5	Equity Interest Transfer Agreement between Yu Haifeng and Renshou Xinrui Enterprises Management Center (Limited Partnership) dated August 7, 2018
10.6	Share Transfer Agreement between Chengdu Puyi Bohui Information Technology Co., Ltd. and Renshou Xinrui Enterprises Management Center (Limited Partnership) & Yu Haifeng dated December 28, 2016
10.7	Share Transfer Agreement between Li Shaogang & Dai Zijian and Tibet Zhuli Investment Co., Ltd & Guangdong Fanhua Puyi Asset Management Co., Ltd. dated May 22, 2018
10.8	Equity Transfer Agreement between Yu Haifeng & Renshou Xinrui Enterprises Management Center (Limited Partnership) and Chengdu Puyi Bohui Information Technology Co., Ltd dated June 5, 2018
10.9	Share Transfer Agreement between Shao Yanhui & Diao Yi and Dai Zijian & Li Shaogang dated March 20, 2017
10.10	Equity Transfer Agreement between Shenzhen Chuangjia Investment Partnership (Limited Partnership) and Yang Yuanfen dated July 16, 2018
10.11	Equity Transfer Agreement between Shenzhen Chuangjia Investment Partnership (Limited Partnership) and Yu Haifeng dated July 16, 2018
10.12	Equity Interest Transfer Agreement between Shenzhen Yingjiasheng Investment Partnership (Limited Partnership) and Yu Haifeng dated March 14, 2016
10.13	Equity Transfer Agreement between Tang Jianping and Guangdong Fanhua Puyi Asset Management Co., Ltd dated July 3, 2018
10.14	Form of Employment Agreement between the Registrant and its chief executive officers
10.15	Form of Indemnification Agreement between the Registrant and its directors and executive officers
10.16	Exclusive Technology and Consultancy Services Agreement between Puyi Enterprises Management Consulting Co., Ltd. and Chengdu Puyi Bohui Information Technology Co., Ltd. dated September 6, 2018
10.17	Equity Interest Pledge Agreement among Puyi Enterprises Management Consulting Co., Ltd.,Yu Haifeng, Yang Yuanfen and Chengdu Puyi Bohui Information Technology Co., Ltd. dated September 6, 2018
10.18	Exclusive Option Agreement among Puyi Enterprises Management Consulting Co., Ltd.,Haifeng Yu, Yuanfen Yang and Chengdu Puyi Bohui Information Technology Co., Ltd. dated September 6, 2018
10.19	Spouse Consent Letter provided by Xiao Qi, Yu Haifeng's spouse, dated September 6, 2018
10.20	Spouse Consent Letter provided by Cheng Jianping, Yang Yuanfen's spouse, dated September 6, 2018
10.21	Powers of Attorney granted by Yu Haifeng dated September 6, 2018
10.22	Powers of Attorney granted by Yang Yuanfen dated September 6, 2018
10.23	Form of Chengdu Puyi Bohui Information Technology Co., Ltd. Equity Entrustment Agreement
10.24	Equity Transfer Agreement between Beijing Trans-Link Investment Co., Ltd. And Chengdu Puyi Bohui Information Technology Co., Ltd. dated September 3, 2018
10.25	Supplemental Agreement to Exhibit 10.24 dated September 19, 2018
10.26	Purchase Agreement between Fanhua Inc. and Puyi Inc. dated September 5, 2018
10.27	2018 Share Incentive Plan
21.1	List of Subsidiaries of the Registrant
23.1	Consent of Marcum Bernstein & Pinchuk LLP
23.2	Consent of Walkers (included in Exhibit 5.1)
23.3	Consent of GFE Law Office (included in Exhibit 99.2)
23.4	Consent of China Insights Consultancy
23.5	Consent of Luo Jidong
23.6	Consent of Zhang Jianjun
24.1	Power of Attorney (previously included on signature page)
99.1	Code of Business Conduct and Ethics of the Registrant.
99.2	Form of opinion of GFE Law Office regarding certain PRC law matters

* To be filed by amendment.

(b) Financial Statement Schedules

None.

Item 17. Undertakings

The undersigned registrant hereby undertakes:

To file, during any period in which offers or sales are being made, a post-effective amendment to this registration statement:

(i) To include any prospectus required by section 10(a)(3) of the Securities Act of 1933;

(ii) To reflect in the prospectus any facts or events arising after the effective date of the registration statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the registration statement. Notwithstanding the foregoing, any increase or decrease in volume of securities offered (if the total dollar value of securities offered would not exceed that which was registered) and any deviation from the low or high end of the estimated maximum offering range may be reflected in the form of prospectus filed with the Commission pursuant to Rule 424(b) (§230.424(b) of this chapter) if, in the aggregate, the changes in volume and price represent no more than 20% change in the maximum aggregate offering price set forth in the "Calculation of Registration Fee" table in the effective registration statement.

(iii) To include any material information with respect to the plan of distribution not previously disclosed in the registration statement or any material change to such information in the registration statement;

To provide to the underwriter at the closing specified in the underwriting agreements certificates in such denominations and registered in such names as required by the underwriter to permit prompt delivery to each purchaser.

That, for the purpose of determining any liability under the Securities Act of 1933, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

That, for purposes of determining any liability under the Securities Act of 1933, the information omitted from the form of prospectus filed as part of this registration statement in reliance upon Rule 430A and contained in a form of prospectus filed by the registrant pursuant to Rule 424(b) (1) or (4) or 497(h) under the Securities Act shall be deemed to be part of this registration statement as of the time it was declared effective.

To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

To file a post-effective amendment to the registration statement to include any financial statements required by "Item 8.A. of Form 20-F (17 CFR 249.220f)" at the start of any delayed offering or throughout a continuous offering. Financial statements and information otherwise required by Section 10(a)(3) of the Act need not be furnished, provided that the registrant includes in the prospectus, by means of a post-effective amendment, financial statements required pursuant to this paragraph (a)(d) and other information necessary to ensure that all other information in the prospectus is at least as current as the date of those financial statements.

That, for the purpose of determining liability of the registrant under the Securities Act of 1933 to any purchaser in the initial distribution of the securities: The undersigned registrant undertakes that in a primary offering of securities of the undersigned registrant pursuant to this registration statement, regardless of the underwriting method used to sell the securities to the purchaser, if the securities are offered or sold to such purchaser by means of any of the following communications, the undersigned registrant will be a seller to the purchaser and will be considered to offer or sell such securities to such purchaser:

(i) Any preliminary prospectus or prospectus of the undersigned registrant relating to the offering required to be filed pursuant to Rule 424 (§230.424 of this chapter);

(ii) Any free writing prospectus relating to the offering prepared by or on behalf of the undersigned registrant or used or referred to by the undersigned registrant;

(iii) The portion of any other free writing prospectus relating to the offering containing material information about the undersigned registrant or its securities provided by or on behalf of the undersigned registrant; and

(iv) Any other communication that is an offer in the offering made by the undersigned registrant to the purchaser.

That, insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Act and will be governed by the final adjudication of such issue.

That, for purposes of determining any liability under the Securities Act of 1933, the information omitted from the form of prospectus filed as part of this registration statement in reliance upon Rule 430A and contained in a form of prospectus filed by the registrant pursuant to Rule 424(b) (1) or (4) or 497(h) under the Securities Act shall be deemed to be part of this registration statement as of the time it was declared effective.

That, for the purpose of determining any liability under the Securities Act, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, the registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form F-1 and has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the People's Republic of China, on November 21, 2018.

Puyi Inc.

By: /s/ Yu Haifeng
Name: Yu Haifeng
Title: **Chief Executive Officer**
(Principal Executive Officer)

POWER OF ATTORNEY

KNOW ALL PERSONS BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints each of Yu Haifeng and Hu Anlin as an attorney-in-fact with full power of substitution, for him or her in any and all capacities, to do any and all acts and all things and to execute any and all instruments which said attorney and agent may deem necessary or desirable to enable the registrant to comply with the Securities Act of 1933, as amended (the "Securities Act"), and any rules, regulations and requirements of the Securities and Exchange Commission thereunder, in connection with the registration under the Securities Act of ordinary shares of the registrant (the "Shares"), including, without limitation, the power and authority to sign the name of each of the undersigned in the capacities indicated below to the Registration Statement on Form F-1 (the "Registration Statement") to be filed with the Securities and Exchange Commission with respect to such Shares, to any and all amendments or supplements to such Registration Statement, whether such amendments or supplements are filed before or after the effective date of such Registration Statement, to any related Registration Statement filed pursuant to Rule 462(b) under the Securities Act, and to any and all instruments or documents filed as part of or in connection with such Registration Statement or any and all amendments thereto, whether such amendments are filed before or after the effective date of such Registration Statement; and each of the undersigned hereby ratifies and confirms all that such attorney and agent shall do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, as amended, this registration statement has been signed by the following persons in the capacities and on the dates indicated:

Signature	Title	Date
/s/ Yu Haifeng Yu Haifeng	Chief Executive Officer, Director	November 21, 2018
/s/ Hu Anlin Hu Anlin	Chief Financial Officer, Vice President, Director	November 21, 2018
/s/ Hu Yinan Hu Yinan	Director	November 21, 2018

SIGNATURE OF AUTHORIZED REPRESENTATIVE IN THE UNITED STATES

Pursuant to the Securities Act of 1933, the undersigned, the duly authorized representative in the United States of Puyi Inc. has signed this registration statement or amendment thereto in New York on November 21, 2018.

Authorized U.S. Representative

Tel: 800.221.0102

Cogency Global Inc.

By: /s/ Siu Fung Ming
Name: Siu Fung Ming
Title: Authorized Person

Exhibit 3.1

THE COMPANIES LAW (AS AMENDED)

EXEMPTED COMPANY LIMITED BY SHARES

MEMORANDUM OF ASSOCIATION

OF

PUYI INC. □□□□□□

1. The name of the Company is **Puyi Inc.** □□□□□□

2. The Registered Office of the Company will be at the offices of Avalon Trust & Corporate Services Ltd., Landmark Square, 1st Floor, 64 Earth Close, PO Box 715, Grand Cayman KY1 1107, Cayman Islands with a registered branch office at such other places as the Directors may from time to time decide.

3. The objectives for which the Company is established are unrestricted and the Company shall have full power and authority to carry out any object not prohibited by the laws of the Cayman Islands.

4. The liability of each member is limited to the amount from time to time unpaid on such member's shares.

5. The authorized share capital of the Company is **USD2,000,000** divided into **2,000,000,000** Ordinary Shares with a par value of **USD0.001 each**, with the power for the Company insofar as is permitted by law, to redeem or purchase any of its shares and to increase or reduce the said capital subject to the provisions of the Companies Law (as amended) and the Articles of Association and to issue any part of its capital, whether original, redeemed or increased with or without any preference, priority or special privilege or subject to any postponement of rights or to any conditions or restrictions and so that unless the conditions of issue shall otherwise expressly declare every issue of shares whether declared to be preference or otherwise shall be subject to the powers hereinbefore contained.

We, the subscriber to this Memorandum of Association, wish to form a company limited by shares pursuant to this Memorandum; and we agree to take the number of shares in the Capital of the Company shown opposite our name.

Name, address and description of Subscriber	Number of shares taken
Avalon Ltd. PO Box 715 GRAND CAYMAN Management Company	1 (one)

/s/ Susan Bjuro
Susan Bjuro
for Avalon Ltd.

/s/ Tasha Menzies
Tasha Menzies

/s/ Brittany Webster
Witness to the above signatures
Brittany Webster

Address: PO Box 715
GRAND CAYMAN

Occupation: Administrator

DATED this 02nd day of August, 2018.

THE COMPANIES LAW (AS AMENDED)

EXEMPTED COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

OF

PUYI INC. □□□□□□

PRELIMINARY & INTERPRETATION

1. In these Articles, Table 'A' of the Companies Law (as amended) does not apply and the following words and expressions shall bear the meanings set out below, if not inconsistent with the subject or context:

(i) "Articles" means the Articles of Association of the Company as originally hereby framed, or as from time to time altered by special resolution;

(ii) "Board of Directors" means the Company's management body provided for in the Law and these Articles;

(iii) "Company" means **Puyi Inc. □□□□□□;**

(iv) "Debenture" means debenture stock, mortgages, bonds and any other such securities of the Company whether constituting a charge on the assets of the Company or not;

(v) "Directors" means the persons for the time being occupying the position of Directors or any of them;

(vi) "Dividend" includes bonus;

(vii) "Holder" means, in relation to registered shares, the member whose name is entered in the register of members as the holder of those shares;

(viii) "Law" means the Companies Law of the Cayman Islands including any statutory modification or re-enactment thereof for the time being in force;

(ix) "Member" shall bear the meaning ascribed to it in Section 38 of the Law;

(x) "Month" means calendar month;

(xi) "Paid-up" means paid-up and/or credited as paid up;

(xii) "Register" means the register of members required to be kept by Section 40 of the Law;

(xiii) "Registered office" means the registered office for the time being of the Company;

(xiv) "Seal" means the common seal of the Company or any facsimile thereof;

(xv) "Secretary" means the secretary of the Company or any person appointed to perform the duties of the secretary of the Company, including an assistant secretary;

(xvi) "Special Resolution" has the meaning assigned to it in Section 60 of the Law;

(xvii) "Written" and "In writing" includes all modes of representing or reproducing words in visible form.

Words importing the singular only shall include the plural and vice versa, words importing the masculine gender shall include the feminine gender and words importing natural persons shall include also corporations. The headings in these Articles are for convenience only and shall be ignored in construing the language or meaning of the Articles.

COMMENCEMENT OF BUSINESS

2. The business of the Company may be commenced as soon after incorporation as the Board of Directors or the subscribers to the Memorandum of Association shall see fit, notwithstanding that part only of the shares may have been allotted.

SHARES

3. The shares in the capital of the Company for the time being, and from time to time, unissued shall be under the control of the Board of Directors, and may be allotted or disposed of in such manner, to such persons and on such terms as the Board of Directors in their absolute discretion may think fit.

4. Subject to the provisions, if any, in that behalf in the Memorandum of Association, or the Law, and without prejudice to any rights previously conferred on the holders of existing shares, any share or fraction of a share in the Company's share capital may be issued with such preferred, deferred, other special rights, or restrictions, whether in regard to dividend, voting, return of share capital or otherwise, as the Board of Directors may from time to time by resolution determine, and any share may be issued by the Directors on the terms that it is, or at the option of the Directors is liable, to be redeemed or purchased by the Company whether out of capital in whole or in part or otherwise.

5. If at any time the share capital is divided into different classes of shares, unless otherwise provided by the terms of issue of the shares, the rights attached to such class may be varied, including in any manner so as to adversely affect the holders of the shares of such class, with the consent in writing of all of the holders of the issued shares of that class, or with the sanction of a special resolution passed at a separate general meeting of the holders of the shares of the class. The provisions of these Articles relating to general meetings shall, mutatis mutandis apply to every such separate general meeting, but so that the necessary quorum shall be one or more persons together at least holding or representing by proxy two-thirds of the issued shares of that class and that any holder of shares of the class present in person or by proxy may demand a poll.

6. Every person whose name is entered as a member in the register of members shall without payment, be entitled to a certificate under the seal of the Company specifying the share or shares held by him and the amount paid up thereon, provided that in respect of a share or shares held jointly by several persons the Company shall not be bound to issue more that one certificate, and delivery of a certificate for a share to one of several joint shareholders shall be sufficient delivery to all.

7. If a share certificate is defaced, lost or destroyed it may be renewed on payment of such fee, if any, and on such terms if any, as to evidence and obligations to indemnify the Company as the Company's Board of Directors may determine.

REDEMPTION AND PURCHASE OF OWN SHARES

8. a) Subject to the provision of the Law, the Company may

(i) issue shares which are to be redeemed or are liable to be redeemed at the option of the Company or the holder;

(ii) purchase its own shares (including any redeemable shares); and

(iii) make a payment in respect of the redemption or purchase of its own shares otherwise than out of profits or the proceeds of a fresh issue of shares.

b) A share which is liable to be redeemed may be redeemed by either the Company or the Holder giving to the other not less than Thirty days notice in writing of the intention to redeem such shares specifying the date of such redemption which must be a day on which banks in the Cayman Islands are open for business.

c) The amount payable on such redemption on each share so redeemed shall be the amount determined by the Board of Directors as being the fair value thereof as between a willing buyer and a willing seller.

d) Any share in respect of which notice of redemption has been given shall not be entitled to participate in the profits of the Company in respect of the period after the date specified as the date of redemption in the notice of redemption.

e) Where the Company has agreed to purchase any share from a member, it shall give notice to all other members of the Company specifying the number and class of shares proposed to be purchased, the name and address of the seller, the price to be paid therefor and the portion (if any) of that price which is being paid out of capital. Such notice shall also specify a date (being not less than Thirty days after the date of the notice) on which the purchase is to be effected and shall invite members (other than the seller) to intimate any objections to the proposed purchase to the Company before that date. If no objections have been received before the date specified in the notice the Company shall be entitled to proceed with the purchase upon the terms specified therein. If any objection is received prior to the specified date, the Board of Directors may either decline to proceed with the purchase or convene a general meeting of the Company to consider and, if thought fit, approve the terms of the proposed purchase.

f) The redemption or purchase of any share shall not be deemed to give rise to the redemption or purchase of any other share.

g) At the date specified in the notice of redemption or purchase, the holder of the shares being redeemed or purchased shall be bound to deliver up to the Company at its registered office the certificate thereof for cancellation and thereupon the Company shall pay to him the redemption or purchase monies in respect thereof.

h) The Board of Directors may when making payments in respect of redemption or purchase of shares in accordance with the provisions of this Regulation, if authorised by the terms of issue of the shares being redeemed or purchased or with the agreement of the holder of such shares, make such payment either in cash or in specie.

LIEN

9. The Company shall have a lien on every share (not being a fully paid share) for all moneys (whether presently payable or not) called or payable at a fixed time in respect of that share, and the Company shall also have a lien on all shares (other than fully paid up shares) standing registered in the name of a single person for all moneys presently payable by him or his estate to the Company; but the Board of Directors may at any time declare any share to be wholly or in part exempt from the provisions of this regulation. The Company's lien, if any, on a share shall extend to all dividends payable thereon.

10. The Company may sell, in such manner as the Board of Directors think fit, any shares on which the Company has a lien, but no sale shall be made unless some sum in respect of which the lien exists is presently payable nor until the expiration of fourteen days after a notice in writing demanding payment of such part of the amount in respect of which the lien exists as is presently payable has been given to the registered holder for the time being of the share, or the persons entitled thereto by reason of the registered holder’s death or bankruptcy.

11. To give effect to any such sale, the Board of Directors may authorize such person to transfer the shares sold to the purchaser thereof. The purchaser shall be registered as the holder of the shares comprised in any such transfer and he shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.

12. The proceeds of the sale shall be received by the Company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable, and the residue, if any, shall (subject to a like lien for sums not presently payable as existed upon the shares prior to the sale) be paid to the person entitled to the shares at the date of the sale.

CALLS ON SHARES

13. The Board of Directors may from time to time make calls upon the members in respect of any moneys unpaid on their shares and each member shall (subject to receiving at least fourteen days notice specifying the time or times of payment) pay to the Company at the time or times so specified the amount called on his shares.

14. The joint holders of a share shall be jointly and severally liable to pay calls in respect thereof.

15. If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest upon the sum at the rate of 10% per annum from the day appointed for the payment thereof to the time of the actual payment, but the Board of Directors shall be at liberty to waive payment of the interest wholly or in part.

16. The provisions of these Articles as to the liability of joint holders and as to the payment of interest shall apply in the case of non-payment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the amount of the share, or by way of premium, as if the same had become payable by virtue of a call duly made and notified.

17. The Board of Directors may make arrangements on the issue of shares for a difference between the holders in the amount of calls to be paid and in the times of payment.

18. The Board of Directors may, if they think fit, receive from any member willing to advance the same, all, or any part of the moneys uncalled and unpaid upon any shares held by him; and upon all or any of the moneys so advanced may (until the same would, but for such advance, become presently payable) pay interest at such rate (not exceeding, without the sanction of the Company by resolution of its members, six percent per annum) as may be agreed upon between the member paying the sum in advance and the Board of Directors.

TRANSFER AND TRANSMISSION OF SHARES

19. The instrument of transfer of any share or fraction of a share shall be in writing and shall be executed by or on behalf of the transferor and the transferor shall be deemed to remain the holder of a share until the name of the transferee is entered in the Register of Members in respect thereof. In the case of a share registered in the joint names of two or more members, unless the joint holders have delivered to the Company an instrument in writing, executed by each of them, expressly referring to this article and stating that this article shall not apply to the share registered in their names, any one joint holder shall have power to execute an instrument of transfer for and on behalf of himself and all joint holders, and each joint holder of a share shall be the attorney -in-fact for the other joint holder of a share with full power and authority to do and perform all and every act and thing whatsoever with respect to the shares jointly held.

20. Shares shall be transferred in the following form, or in any other form approved by the Board of Directors:

> I _____ of _____ in consideration of the sum of _____ paid to me by _____ of _____ (hereinafter called "the transferee") do hereby transfer to the transferee the share (or shares) numbered _____ in the undertaking called the _____ to hold unto the said transferee, subject to the several conditions on which I hold the same; and I, the said transferee, do hereby agree to take the said share (or shares) subject to the conditions aforesaid.
>
> As witness our hand the _____ day of_____ 20____
>
> Witness to the signatures

21. The Board of Directors may decline to register any transfer of shares to a person of whom they do not approve, and may also decline to register any transfer of shares on which the Company has a lien. The Board of Directors may also suspend the registration of transfers during the fourteen days immediately preceding a general meeting of the Company or of a meeting of the holders of a class of shares. Notwithstanding anything to the contrary herein, the Board of Directors may decline to recognize any transfer, and such transfer will not be effective, unless the instrument of transfer is accompanied by a certificate of the shares to which it relates, and such other evidence as the Board of Directors may reasonably require to show the right of the transferor to make the transfer. If the Board of Directors refuse to register a transfer of any shares they shall, within two months after the date on which the transfer was lodged with the Company, send to the transferee notice of the refusal.

22. The legal personal representative of a deceased sole holder of a share shall be the only person recognized by the Company as having any title to the share. In the case of a share registered in the names of two or more holders, the survivor or survivors, or the legal personal representatives of the deceased survivor, shall be the only persons recognized by the Company as having any title to the share.

23. A person entitled to a share in consequence of the death or bankruptcy of a member (or in any other way than by transfer) shall upon such evidence being produced as may from time to time be properly required by the Board of Directors, have the right either to be registered as a member in respect of the share, or instead of being registered himself, to make such transfer of the share as the deceased or bankrupt person could have made; but the Board of Directors shall, in either case, have the same right to decline or suspend registration as they would have had in the case of a transfer of the share by the deceased or bankrupt person before the death or bankruptcy.

24. If the person so becoming entitled shall elect to be registered himself as holder he shall deliver or send to the Company a notice in writing signed by him stating that he so elects.

25. A person becoming entitled to a share by reason of the death or bankruptcy of the member shall be entitled to the same dividends and other advantages to which he would be entitled if he were the holder, except that he shall not , before being registered as a member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company. PROVIDED HOWEVER that the Directors may at any time give notice requiring any such person to elect either to be registered himself or to transfer the share and if the notice is not complied with within ninety days the Directors may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the share until the requirements of the notice have been complied with.

FORFEITURE OF SHARES

26. If a member fails to pay any call or instalment of a call on the day appointed for payment thereof, the Board of Directors may, at any time thereafter during such time as any part of such call or instalment remains unpaid, serve a notice on him requiring payment of so much of the call or instalment as remains unpaid, together with any interest which may have accrued and all expenses that have been incurred by the Company by reason of such non-payment.

27. Such notice shall name a further day (not earlier than the expiration of fourteen days from the date of the notice) on or before which the payment required by the notice is to be made, and shall state that in the event of non-payment, at or before the time appointed, the shares in respect of which the call was made will be liable to be forfeited.

28. If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may at any time thereafter, before the payment required by notice has been made, be forfeited by a resolution of the Directors to that effect.

29. A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the Board of Directors think fit, and at any time before the sale or disposition the forfeiture may be cancelled on such terms as the Board of Directors think fit.

30. A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall remain liable to pay to the Company all moneys which at the date of forfeiture were payable by him to the Company in respect of the shares, but his liability shall cease if and when the Company receives payment in full of the nominal amount of the shares, and any premium due in respect of their issue.

31. A declaration in writing under the hand of a Director or the Secretary of the Company that a share in the Company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share. The Company may receive the consideration, if any, given for the share on any sale or disposition thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of and he shall thereupon be registered as the holder of the share, and shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share.

32. The provisions of these Articles as to forfeiture shall apply in the case of non-payment of any sum which by the terms of issue of a share becomes payable at a fixed time, whether on account of the nominal amount of the share, or by way of premium, as if the same had been payable by virtue of a call duly made and notified.

ALTERATION OF CAPITAL

33. The Company may from time to time by ordinary resolution of its members increase its authorized share capital by such sum, to be divided into shares or fractions of a share of such amount, as the resolution shall prescribe.

34. The new shares shall be subject to the same provisions with reference to the payment of calls, lien, transfer, transmission, forfeiture and otherwise as the shares in the same class in the original share capital.

35. The Company may by ordinary resolution of its members:

(a) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;

(b) sub-divide its existing shares, or any of them, into shares of smaller amount than is fixed by the Memorandum of Association, subject nevertheless to the provisions of section 13 of the Law;

(c) cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person.

36. The Company may by special resolution reduce its share capital and any capital redemption reserve fund in any manner and with, and subject to, any incident authorized and consent required by Law.

GENERAL MEETINGS

37. An annual general meeting shall be held once every year at such time (not being more than fifteen months after the holding of the last preceding general meeting) and place as may be prescribed by a resolution of the members, or, in default thereof, by a resolution of the Board of Directors, except that if the Company be registered as an exempted company then no such annual general meeting shall be required. The Board of Directors may, whenever they think fit convene a general meeting.

38. General meetings shall also be convened on the written requisition, duly signed, of any holder or holders of not less than ten percent of the issued voting shares deposited at the registered office of the Company specifying the objects of the meeting. If the Board of Directors do not within twenty-one days from the date of the deposit of the requisition proceed to convene the meeting, the requisitionist(s) may convene the general meeting in the same manner, as nearly as possible, as that in which meetings may be convened by the Board of Directors, and all reasonable expenses incurred shall be borne by the Company, but any meeting so convened shall not be held after the expiration of three months after the expiration of the said twenty-one days.

39. If at any time there are no Directors of the Company any holder or holders of not less than ten percent of the issued voting shares may convene a general meeting in the same manner, as nearly as possible, as that in which meetings may be convened by the Board of Directors, and all reasonable expenses incurred shall be borne by the Company.

NOTICE OF GENERAL MEETINGS

40. Notice of any general meeting shall be given at least seven days before such meeting is scheduled to take place (exclusive of the day on which the notice is served or deemed to be served, but inclusive of the day for which notice is given). Such notice shall specify the place, the day and the hour of the meeting and, in the case of special business, the general nature of that business and shall be given in the manner hereinafter provided, or in such other manner (if any) as may be prescribed by the Company in general meetings, to such persons as are, under the Articles of the Company, entitled to receive such notices from the Company. With the consent of all the members entitled to receive notice of any particular meeting, that meeting may be convened by such shorter notice and in such manner as those members may agree.

41. Notwithstanding any other provision contained herein, the accidental omission to give notice of a meeting to, or the non - receipt of a notice of a meeting by, any member shall not invalidate the proceedings at any meeting.

PROCEEDINGS AT GENERAL MEETINGS

42. Except as herein otherwise provided, no business shall be transacted at any general meeting unless a quorum of members is present at the time that the meeting proceeds to do business. The presence in person or by proxy of the holders of a majority of the issued voting shares of the Company entitled to vote shall constitute a quorum for the transaction of business. The shareholders present at a meeting at which a quorum is present may continue to transact business until adjournment, notwithstanding the withdrawal of enough shareholders to leave less than a quorum.

43. If, within half an hour from the time appointed for the meeting, a quorum is not present, such meeting shall stand adjourned to the same day in the next week, at the same time and place, and if at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting, the members present shall be deemed to constitute a quorum.

44. All business carried out at a general meeting shall be deemed special with the exception of sanctioning a dividend, the consideration of the accounts, the ordinary report of the Board of Directors and auditors, the appointment and removal of Directors, and the fixing of the remuneration of the Directors and auditors. No special business shall be transacted at any general meeting without the consent of all members entitled to receive notice of that meeting unless notice of such special business has been given in the notice convening that meeting.

45. The chairman, if any, of the Board of Directors shall preside as chairman at every general meeting of the Company.

46. If there is no such chairman, or if at any meeting he is not present within fifteen minutes after the time appointed for holding the meeting or is unwilling to act as chairman, the members present shall choose one of their number to be chairman.

47. The chairman may, with the consent of any meeting at which a quorum is present, (and shall if so directed by an ordinary resolution of the members) adjourn the meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. When a meeting is adjourned for ten days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. Save as aforesaid it shall not be necessary to give any notice of an adjournment or of the business to be transacted at any adjourned meeting.

48. At any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is demanded (before or on the declaration of the result of the show of hands) by at least three members present in person or by proxy entitled to vote or by one member or two members so present and entitled, if that member or those two members together hold not less than fifteen percent of the paid up capital of the Company. Unless a poll is demanded, a declaration by the chairman that a resolution has, on a show of hands, been carried unanimously, or by a particular majority, or lost, and an entry to that effect in the book of the proceedings of the Company shall be conclusive evidence of the fact, without proof of the number of that proportion of the votes recorded in favour of, or against, that resolution.

49. If a poll is duly demanded it shall be taken in such manner as the chairman directs, and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.

50. In the case of an equality of votes, whether on a show of hands or on a poll, the chairman of the meeting at which the show of hands takes place or at which the poll is demanded, shall be entitled to a second or casting vote.

51. A poll demanded on the election of a chairman or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken at such time as the chairman of the meeting directs.

VOTES OF MEMBERS

52. On a show of hands every member of the Company present in person or by proxy shall have one vote. On a poll every member, present in person or by proxy, shall have one vote for each share of which he is the holder. Except as otherwise required by these Articles or by the Law, the affirmative vote of the holders of a majority of shares, present in person or by proxy, is required to adopt any shareholder's resolution.

53. In the case of joint holders of shares, the vote of the senior who tenders a vote whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holder; and for this purpose seniority shall be determined by the order in which the names stand in the register of members.

54. A holder of shares of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee, or the person in the nature of a committee appointed by that court, and any such committee or other person, may on a poll, vote by proxy.

55. No holder of shares shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of shares in the Company have been paid.

56. On a poll or on a show of hands votes may be given either personally or by proxy.

57. a) The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney duly authorized in writing or, if the appointor is a corporation, either under seal or under the hand of an officer or attorney duly authorized. A proxy need not be a member of the Company.

b) The instrument appointing the proxy and the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of the power of attorney or other authority, shall be deposited at the registered office of the Company not less than forty-eight hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, and in default the instrument of proxy shall be treated as valid or invalid at the discretion of the chairman.

c) An instrument appointing a proxy may be in the following form or any other common form:

> I _____, of _____ being a member of the above named Company hereby appoint _____ of _____ as my proxy, to vote for me and on my behalf at the (ordinary or extraordinary, as the case may be) general meeting of the Company to be held on the _____ day of _____ 20___ and at any adjournment thereof.

d) The instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll.

58. Any corporation which is a member of the Company may by resolution of its Board of Directors or other governing body authorize such person as it thinks fit to act as its representative at any meeting of the Company or of any class of members of the Company, and the person so authorized shall be entitled to exercise the same powers on behalf of the corporation which he represents a s that corporation could exercise if it were an individual member of the Company.

59. Any share of its own capital belonging to the Company or held on its behalf shall not be voted directly or indirectly at any meeting and shall not be counted in determining the total number of issued shares at any time.

WAIVER OF NOTICE AND CONSENTS

60. (a) The transactions of any meeting of members however called and whenever held, are as valid as though made at a meeting duly held after regular notice if each of the persons entitled to vote, not present in person or by proxy, signs a written waiver of notice or a consent to the holding of the meeting, or an approval of the minutes thereof. All such waivers, consents and approvals shall be filed with the Company's records.

(b) Any action of the members may be taken without a meeting, and without prior notice, if a resolution in writing is signed by all the members for the time being entitled to receive notice of and to attend and vote at general meetings (or being corporations by their duly authorised representatives); such written resolution shall be as valid and effective as if the same had been passed at a general meeting of the Company duly convened and held and may be in one or more instruments each signed by one or more of the members aforesaid, the effective date of the resolution so adopted being the date on which the instrument or the last of such instruments (if more than one) is executed.

(c) Any action of the Directors, or alternate Directors, may be taken without a meeting, and without prior notice, if written consent, setting forth the action to be taken, is signed by all the Directors of the Company.

DIRECTORS

61. There shall be a Board of Directors of the Company consisting of one or more Directors. The initial Board of Directors shall be determined in writing by the subscriber(s) to the Memorandum of Association.

62. Subject to the provisions of these Articles, a Director shall hold office until such time as he is disqualified or removed from office by an ordinary resolution of the Company in general meeting.

63. The Company in general meeting may from time to time fix the maximum and minimum number of Directors to be appointed but unless such number is fixed as aforesaid the number of Directors shall be unlimited.

64. The Board of Directors shall have power at any time and from time to time to appoint a person as Director, either as a result of a casual vacancy or as an additional Director, subject to the maximum number (if any) imposed by the Company in general meeting.

65. The Directors shall be entitled to such remuneration as the Board of Directors may by resolution determine and, unless the resolution provides otherwise, the remuneration shall be deemed to accrue from day to day and such remuneration shall be divided between the Directors in such proportions and manner as the Board of Directors may unanimously determine or in default of such determination equally, except that any Director holding office for less than a year or other period f or which remuneration is paid shall rank in such division in proportion to the fraction of such year or other period during which he has held office. Any Director who, at the request of the Directors, performs special services or goes or resides abroad for any purpose of the Company may receive such extra remuneration by way of salary, commission or participation in profits, or partly in one way and partly in another, as the Board of Directors may determine. The Directors may be paid all travelling, hotel , and other expenses properly incurred by them in connection with their attendance at meetings of Directors or committees of Directors or general meetings or separate meetings of the shareholders or otherwise in connection with the discharge of their duties.

66. A Director shall not be required to hold any share qualification but shall nevertheless be entitled to attend and speak at any general meeting of the Company or at any separate meeting of the holders of any class of shares of the Company.

67. Any corporation which is a Director of the Company may by resolution of its Board of Directors or other governing body authorize such person as it thinks fit to act as its representative at any meeting of the Board of Directors of the Company, and the person so authorized shall be entitled to exercise the same powers on behalf of the corporation which he represents as that corporation could exercise if it were an individual Director of the Company.

POWERS AND DUTIES OF DIRECTORS

68. The business of the Company shall be managed by the Board of Directors, who may pay all expenses incurred in organizing and registering the Company and may exercise all such powers of the Company as are not, by the Law or these Articles, required to be exercised by the Company by resolution of its members; but no regulation made by the Company by resolution of its members shall invalidate any prior act of the Board of Directors which would have been valid if that regulation had not been made.

69. The Board of Directors may, from time to time, provide for the management of the affairs of the Company in such manner as they think fit. The Board of Directors may from time to time:

(i) appoint one or more of their body to the office of managing Director for such term and at such remuneration (whether by way of salary or commission or participation in profits, or partly in one way and partly in another) as they may think fit; his appointment shall be subject to termination ipso facto if he ceases for any cause to be a Director, or if the Company in a general meeting resolves that his tenure of the office of managing Director be terminated;

(ii) appoint a manager for the Company for such term and for such remuneration (whether by way of fees, commissions or participation in profits or gains, or partly in one way and partly in another and including reimbursement of all costs and charges paid or payable on behalf of the Company in connection with its formation and otherwise) and subject to such other terms and conditions as they may think fit. The Board of Directors may, to the extent permitted by the Law and these Articles delegate (whether by contract or otherwise) such powers and duties to the said managing Director and or manager as they may think fit. The Board of Directors may from time to time appoint such secretary, officers, agents, legal counsel, investment advisors and other professional advisors or administrators as they deems necessary, appropriate or advisable.

70. The Directors shall appoint the Company Secretary (and if need be an Assistant Secretary or Assistant Secretaries) who shall hold office for such term, at such remuneration and upon such conditions and with such powers as they think fit, provided however that no person who is the sole Director of the Company shall be appointed or hold office as Secretary. Any Secretary or Assistant Secretary so appointed by the Directors may be removed by the Directors.

71. The Directors may delegate any of their powers to committees consisting of such member or members of their body as they think fit; any committee so formed shall in the exercise of the powers so delegated conform to any regulations that may imposed on it by the Directors.

72. The Board of Directors may exercise all the powers of the Company to borrow money and to mortgage or charge its undertaking, property and uncalled capital or any part thereof, to issue debentures, debenture stock and other securities whenever money is borrowed or as security for any debt, liability or obligation of the Company or of any third party.

73. A Director who is in any way, whether directly or indirectly, interested in a contract or proposed contract with the Company shall declare the nature of his interest at a meeting of the Board of Directors. A general notice given to the Board of Directors by any Director to the effect that he is a member of any specified company or firm and is to be regarded as interested in a contract which may thereafter be made with that company or firm shall be deemed a sufficient declaration of interest in regard to any contract so made. Subject thereto a Director may vote in respect of any contract or proposed contract or arrangement notwithstanding that he may be interested therein and if he does so his vote shall be counted and he may be counted in the quorum at any meeting of the Board of Directors at which such contract or proposed contract or arrangement shall come before the meeting for consideration.

74. A Director or alternate Director of the Company may be or become a Director or other Officer of or otherwise interested in any Company promoted by the Company or in which the Company may be interested in a shareholder or otherwise and no such Director or Alternate Director shall be accountable to the Company for any remuneration or other benefits received by him as a Director or Officer of, or from his interest in, such other Company.

75. A Director may hold any other office or place of profit under the Company (other than the office of auditor) in conjunction with his office of Director for such period and on such terms (as to remuneration and otherwise) as the Board of Directors may determine and no Director or intending Director shall be disqualified by his office from contracting with the Company either with regard to his tenure of any such other office or place of profit or as vendor, purchaser or otherwise, nor shall any such contract or contract arrangement entered into by or on behalf of the Company in which any Director is in any way interested, be liable to be avoided, nor shall any Director so contracting or being so interested be liable to account to the Company for any profit realised by any such contract or arrangement by reason of such Director holding that office or of the fiduciary relationship thereby established. A Director, notwithstanding his interest, may be counted in the quorum present at any meeting whereat he or any other Director is appointed to hold any such office or place of profit under the Company or whereat the terms of any such appointment are arranged and he may vote on any such appointment or arrangement.

76. Any Director may act by himself or his firm in a professional capacity for the Company, and he or his firm shall be entitled to remuneration for professional services as if he were not a Director; provided that nothing herein contained shall authorise a Director or his firm to act as auditor to the Company.

77. The Board of Directors shall cause minutes to be made in books provided for the purpose:

(a) of all appointments of officers made by the Board of Directors;

(b) of the names of the Directors present at each meeting of the Board of Directors and of any committee of the Directors;

(c) of all resolutions and proceedings at all meetings of the Company, and of the Directors and of committees of Directors signed by the chairman of the meeting.

78. The office of Director shall be vacated, if the Director:

(a) becomes bankrupt or makes any arrangement or composition with his creditors; or

(b) is found to be or becomes of unsound mind; or

(c) resigns his office by notice in writing to the Company; or

(d) is removed from office by an ordinary resolution duly passed by the Company in general meeting.

PROCEEDINGS OF DIRECTORS

79. The Directors may meet together (either within or without the Cayman Islands) for the dispatch of business, adjourn, and otherwise regulate their meetings and proceedings, as they think fit. Questions arising at any meeting shall be decided by a majority of votes. In case of an equality of votes the chairman shall have a second or casting vote. A Director may, and the secretary on the requisition of a Director shall, at any time summon a meeting of the Directors.

80. The quorum necessary for the transaction of the business of the Directors may be fixed by the Directors, and unless so fixed, if there be more than two Directors shall be two, and if there be two or less Directors shall be one. A Director represented by proxy or by an Alternate Director at any meeting shall be deemed to be present for the purposes of determining whether or not a quorum is present.

81. A Director or Directors may participate in any meeting of the Board, or of any committee appointed by the Board of which such Director or Directors are members, by means of telephone or similar communication equipment by way of which all persons participating in such meeting can hear each other and such participation shall be deemed to constitute presence in person at the meeting.

82. When the Directors (being in number at least a quorum) sign the minutes of a meeting of the Directors the same shall be deemed to have been duly held notwithstanding that the Directors have not actually come together or that there may have been a technical defect in the proceedings. A resolution signed by all such Directors shall be as valid and effectual as if it had been passed at a meeting of the Board of Directors duly called and constituted. The minutes or resolution may be in one or more instruments each signed by one or more of the Directors.

83. The continuing Directors may act notwithstanding any vacancy in their body, but, if and so long as their number is reduced below the number fixed by or pursuant to the Articles of the Company as the necessary quorum of Directors, the continuing Directors may act for the purpose of increasing the number, or of summoning a general meeting of the Company, but for no other purpose.

84. The Board of Directors may elect a chairman of their meeting and determine the period for which he is to hold office; but if no such chairman is elected, or if at any meeting the chairman is not present within five minutes after the time appointed for holding the same, the Directors present may choose one of their number to be chairman of the meeting.

85. A committee appointed by the Board of Directors may elect a chairman of its meetings; if no such chairman is elected, or if at any meeting the chairman is not present within five minutes, after the time appointed for holding the same, the members present may choose one of their number to be chairman of the meeting.

86. A committee appointed by the Board of Directors may meet and adjourn as it thinks proper. Questions arising at any meeting shall be determined by a majority of votes of the members present and in case of an equality of votes the chairman shall have a second or casting vote.

87. All acts done by any meeting of the Directors or of a committee of Directors, or by any person acting as a Director, shall notwithstanding that it be afterwards discovered that there was some defect in the appointment of any such Director or person acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such person had been duly appointed and was qualified to be a Director.

PRESUMPTION OF ASSENT

88. A Director of the Company who is present at a meeting of the Board of Directors at which action on any Company matter is taken shall be presumed to have assented to the action taken unless his dissent shall be entered in the Minutes of the meeting or unless he shall file his written dissent from such action with the person acting as the Secretary of the meeting before the adjournment thereof or shall forward such dissent by registered mail to such person immediately after the adjournment of the meeting. Such right to dissent shall not apply to a Director who voted in favour of such action.

ALTERNATE DIRECTOR

89. Any Director may from time to time in writing appoint any person to be his alternate Director to act in his place at any meeting of the Board of Directors at which he is unable to be present. The appointee, while he holds office as an alternate Director, shall be entitled to call and attend and vote at any meeting which the Director appointing him is not personally present, and generally to perform all the functions of his appointor as a Director without limitation, but shall not be entitled to any remuneration from the Company otherwise than out of the remuneration of the Director appointing him, as may be agreed between the said Director and the appointee. Any appointment so made may be revoked at any time by the appointor. Any appointment, or revocation by the appointor, made under this article shall be in writing, and notice in writing shall be given to the registered office or to some other place as the Company may determine from time to time.

90. Any Director may appoint any person, whether or not a Director of the Company, to be the proxy of that Director to attend and vote on his behalf, in accordance with instructions given by that Director, or in the absence of such instructions at the discretion of the proxy, at a meeting or meetings of the Directors which that Director is unable to attend personally. The instrument appointing the proxy shall be in writing under the hand of the appointing Director and shall be in the form set out below or any other common form and must be lodged with the chairman of the meeting of Board of Directors at which such proxy is to be used, or first used, prior to the commencement of the meeting.

I _____, of _____ being a Director of the above Company hereby appoint _____ of_____ as my proxy and on my behalf to attend vote at and to do all acts and things which I could personally have done at a meeting of the Board of Directors of the said Company to be held on the_____ day of _____ 20_____ and at any adjournments thereof.

Date: _____ _____

Signature of Director

91. The Directors, Auditors a nd Officers for the time being of the Company and any trustee for the time being acting in relation to any of the affairs of the Company and their heirs, executors, administrators and personal representatives respectively shall be indemnified out of the as sets of the Company from and against all actions, proceedings, costs, charges, losses, expenses and damages which they or any of them shall or may incur or sustain by reason of any act done or omitted in or about the execution of their duty in their respective offices or trusts, except such (if any) as they shall incur or sustain by or through their own wilful misfeasance, bad faith, negligence or reckless disregard, or default of their duties respectively and no such Director, Auditor, Officer or trustee s hall be answerable for the acts, receipts, neglects or defaults of any other Director, Auditor, Officer or trustee or for joining in any receipt for the sake of conformity or for the solvency or honesty of any banker or other persons with whom any monies o r effects belonging to the Company may be lodged or deposited for safe custody or for any insufficiency of any security upon which any monies of the Company may be invested or for any other loss or damage due to any such cause as aforesaid or which may hap pen in or about the execution of his office or trust unless the same shall happen through the wilful misfeasance, bad faith, negligence or reckless disregard or default of such Director, Auditor, Officer of trustee.

DIVIDENDS AND DISTRIBUTIONS

92. a) The Company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board of Directors.

b) The Board of Directors may from time to time pay such interim dividends, or make such distributions out of the Company's share premium account, as appear to the Board of Directors to be justified.

c) Dividends may be paid out of profits or if the Board of Directors so determine dividends or distributions may be made to members out of the share premium account in accordance with the provisions of the Law.

d) Subject to special rights if any, all dividends shall be declared and paid or distributions made in proportion to the amount paid up on each share.

93. The Board of Directors, may, before recommending any dividend, set aside out of the profits of the Company such sums as they think proper as a reserve or reserves which shall, at the discretion of the Board of Directors, be applicable for meeting contingencies, or for equalizing dividends, or for any other purpose to which the profits of the Company may be properly applied, and pending such application may, at the like discretion, either be employed in the business of the Company or be invested in such investments as the Board of Directors may from time to time think fit.

94. If several persons are registered as joint holders of any share, any one of them may give effectual receipt for any dividend or other moneys payable on or in respect of the share.

95. The Board of Directors may deduct from any dividend payable or distribution to be made to any member all sums of money (if any) presently payable by him to the Company on account of calls in relation to the shares or otherwise of the Company. Any general meeting declaring a dividend may direct payment of such dividend wholly or partly by distribution of specific assets and in particular of paid up shares, debentures or debenture stock of any other company or in any one or more of such ways, and the Board of Directors shall give effect to such resolution, and where any difficulty arises in regard to such distribution, the Board of Directors may settle the same as they think expedient, and in particular may issue fractional shares and fix the value for distribution of such specific assets or any part thereof and may determine that cash payments shall be made to any members upon the basis of the value so fixed in order to adjust the rights of all parties, and may vest any such specific assets in trustees as may seem expedient to the Board of Directors.

96. Any dividend o r distribution may be paid by wire transfer of immediately available funds, or by cheque or warrant sent through the post to the registered address of the member or person entitled thereto or in the case of joint holders, to any one of such joint holders a t his registered address or to such person and such address as the member or person entitled or such joint holders, as the case may be, may in writing direct. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent or to the order of such other persons as the member or such joint holders, as the case may be, may direct.

97. The Directors when paying dividends to the members in accordance with the foregoing provisions may make such payment either in cash or in specie.

98. a) The Company in general meeting may upon the recommendation of the Board of Directors resolve that it is desirable to capitalize any part of the amount for the time being standing to the credit of any of the Company's share premium or reserve accounts or to the credit of the profit and loss account or otherwise available for distribution, and accordingly that such sum be set free for distribution among the members who would have been entitled thereto if distributed by way of dividend and in the same proportions on condition that the same be not paid in cash but be applied either in or towards paying up any amounts for the time being unpaid on any shares held by such members respectively or paying up in full unissued shares or debentures of the Company to be allotted and distributed, credited as fully paid up, to and amongst such members in the proportion as aforesaid, or partly in one way and partly in the other, and the Board of Directors shall give effect to such resolution.

b) Whenever such a resolution as aforesaid shall have been passed the Board of Directors shall make all appropriations and applications of the undivided profits resolved to be capitalized thereby, or the Company's share premium or reserve accounts and all allotments and issues of fully-paid shares or debentures, if any, and generally shall do all acts and things required to give effect thereto, with full power to the Board of Directors to make such provisions by the issue of fractional shares or by payment in cash or otherwise as they think fit for the case of shares or debentures becoming distributable in fractions, and also to authorize any person to enter on behalf of all the members entitled thereto into an agreement with the Company providing for the allotment to them respectively, credited as fully paid up, of any further shares or debentures to which they may be entitled upon such capitalization, or (as the case may require) for the payment up by the Company on their behalf, by the application thereto of their respective proportions of the profits resolved to be capitalized, or the Company's share premium or reserve accounts, of the amounts or any part of the amounts remaining unpaid on their existing shares, and any agreement made under such authority shall be effective and binding on all such members.

99. No dividend shall bear interest against the Company.

ACCOUNTS

100. The books of account relating to the Company's affairs shall be kept in such manner as may be determined from time to time by the Board of Directors of the Company.

101. The books of account shall be kept at the registered office of the Company, or at such other place or places as the Board of Directors think fit, and shall always be open to inspection by the Directors.

102. The Board of Directors shall from time to time determine whether and to what extent and at what time and places and under what conditions or articles the accounts and books of the Company or any of them shall be open to the inspection of members not being Directors, and no member (not being a Director) shall have any right of inspection of any account or book or document of the Company except as conferred by Law or authorized by the Board of Directors or by resolution of the members.

AUDIT

103. The accounts relating to the Company's affairs shall be audited in such manner as may be determined from time to time by resolution of the members or failing any such determination, by the Board of Directors, or failing any determination as aforesaid shall not be audited.

THE SEAL

104. The seal of the Company shall not be affixed to any instrument except by the authority of a Resolution of the Board of Directors, and in the presence of such person or persons as the Board of Directors may appoint for the purpose; and that person or persons as aforesaid shall sign every instrument to which the seal is so affixed in his or their presence. Provided always that the said authority may be given prior to or after the affixing of the seal and if given after may be in general form confirming a number of affixings of the seal. Notwithstanding the provisions hereof, the seal may be affixed to any returns filed under the Law without the authority of a Resolution of the Board of Directors in the presence of the Secretary or an Assistant Secretary.

105. The Company shall maintain a facsimile of its seal in such countries or places as the Board of Directors shall appoint and such facsimile seal shall not be affixed to any instrument except by the authority of the Board of Directors and in the presence of such person or persons as the Board of Directors shall for this purpose appoint and such person or persons as aforesaid shall sign every instrument to which the facsimile seal is so affixed in their presence and such affixing of the facsimile seal and signing as aforesaid shall have the same meaning and effect as if the seal had been affixed in the presence of and the instrument signed by such person or persons as the Board of Directors may appoint for the purpose.

106. Notwithstanding the foregoing, the secretary or any assistant secretary shall have the authority to affix the seal or the facsimile seal, to any instrument for the purpose of attesting authenticity of the matter contained therein but which does not create any obligation binding the Company.

POWER OF ATTORNEY

107. The Board of Directors may from time to time and at any time by revocable or irrevocable Power of Attorney appoint any company, firm or person or body of persons, whether nominated directly or indirectly by the Board of Directors, to be the Attorney or Attorneys of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Board of Directors under these articles) and for such period and subject to such conditions as they may think fit, and any such Power of Attorney may contain such provisions for the protection and convenience of persons dealing with any such Attorney as the Board of Directors may think fit and may also authorize any such Attorney to delegate all or any of the powers, authorities and discretion vested in him.

NOTICES

108. Notices shall be in writing and may be given by the Company to any shareholder either personally or by sending it by post, telex or telecopy to him or to his address as shown in the Register of Shareholders, such notice, if mailed, to be forwarded airmail if the address be outside the Cayman Islands.

109. a) Where a notice is sent by post, service of the notice shall be deemed to be effected by properly addressing, pre-paying and posting a letter containing the notice, and to have been effected at the expiration of five Business Days after the letter containing the same is posted as aforesaid.

b) Where a notice is sent by telex or telecopy, service of the notice shall be deemed to be effected by properly addressing and sending such notice through a transmitting organisation and to have been effected on the day the same is sent as aforesaid.

110. If a member has no registered address in the Cayman Islands and has not supplied to the Company an address for the giving of notices to him, a notice addressed to him and advertised in a newspaper circulating in the Cayman Islands shall be deemed to be duly given to him at noon on the day following the day on which the newspaper is circulated and the advertisement appeared therein.

111. A notice may be given by the Company to the joint holders of a share by giving the notice to the joint holder named first in the register of members in respect of the share.

112. A notice may be given by the Company to the persons entitled to a share in consequence of the death or bankruptcy of a member by sending it through the post in a prepaid envelope addressed to them by name, or by the title of the representative of the deceased, or trustee of the bankrupt, or by any like description, at the address, if any, within the Cayman Islands supplied for the purpose by the persons claiming to be so entitled, or (until such an address has been so supplied) by giving the notice in any manner in which the same might have been given if the death or bankruptcy had not occurred.

113. Notice of every general meeting shall be given in any manner here in before authorized to:

(a) every member entitled to receive notice of the meeting except those members who (having no registered address in the Cayman Islands) have not supplied to the Company an address for the giving of notices to them; and

(b) every person entitled to a share in consequence of a death or bankruptcy of a member, who, but for his death or bankruptcy would be entitled to receive notice of the meeting;

(c) each Director of the Company.

No other persons shall be entitled to receive notices of general meetings.

NON RECOGNITION OF TRUST

114. No person shall be recognized by the Company as holding any share upon any trust and the Company shall not be bound by or be compelled in any way to recognize (even when having notice thereof) any equitable, contingent, future or partial interest in any of its shares or any other rights in respect thereof except an absolute right to the entirety thereof in each member registered in the Company's register of members.

ALTERATION OF ARTICLES

115. The Company may from time to time alter or add to these articles by passing and registering a special resolution in the manner prescribed by the Law.

WINDING UP

116. If the Company shall be wound up the liquidator may, with the sanction of an ordinary resolution of the members, divide amongst the members in specie or kind the whole or any part of the assets of the Company (whether they shall consist of the property of the same kind or not) and may, for such purpose set such value as the liquidator deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members. The liquidator may, with the like sanction, vest the whole or any part of such like sanction, shall think fit, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.

JURISDICTION AND VENUE FOR LITIGATION

117. All rights and obligations as between the Company, its members, Directors, alternate Directors, officers, agents, managers, employees or trustees or any of them shall be governed by and construed solely in accordance with the Laws of the Cayman Islands without giving effect to principles of choice or conflict of law and any cause of action between any of the parties aforesaid shall be subject to the sole jurisdiction and venue of the Courts of the Cayman Islands.

REGISTRATION BY WAY OF CONTINUATION

118. The Company may by special resolution resolve to be registered by way of continuation in a jurisdiction outside of the Cayman Islands or such jurisdiction in which it is for the time being registered; in furtherance of any such resolution the Board of Directors may cause an application to be made to such government authority as may be necessary to deregister the Company in the jurisdiction in which it is, for the time being incorporated, registered, or existing, and may cause all such further steps as the Board of Directors consider appropriate to be taken to effect and transfer the Company by way of continuation.

DISCLOSURE

119. The Directors, or any authorised service providers (including the Officers, the Secretary and the registered office agent of the Company) shall be entitled to disclose to any regulatory or judicial authority, or to any stock exchange on which the shares or any class or series may from time to time be listed, any information regarding the affairs of the Company including, without limitation, information contained in the Register and books of the Company.

Name, address and description of Subscriber

Avalon Ltd.
PO Box 715
GRAND CAYMAN

Management Company

/s/ Susan Bjuro — /s/ Tasha Menzies

Susan Bjuro — **Tasha Menzies**
for Avalon Ltd.

/s/ Brittany Webster

Witness to the above signatures
Brittany Webster

Address: PO Box 715
GRAND CAYMAN

Occupation: Administrator

DATED this 02nd day of August, 2018.

Exhibit 3.2

THE COMPANIES LAW (AS AMENDED)

OF THE CAYMAN ISLANDS

COMPANY LIMITED BY SHARES

SECOND AMENDED AND RESTATED
MEMORANDUM AND ARTICLES OF ASSOCIATION

OF

Puyi Inc. □□□□□□

(ADOPTED BY SPECIAL RESOLUTION PASSED ON AND EFFECTIVE CONDITIONAL AND IMMEDIATELY PRIOR TO THE COMPLETION OF THE COMPANY'S INITIAL PUBLIC OFFERING OF AMERICAN DEPOSITARY SHARES REPRESENTING ITS ORDINARY SHARES)

THE COMPANIES LAW (AS AMENDED)
OF THE CAYMAN ISLANDS
COMPANY LIMITED BY SHARES

SECOND AMENDED AND RESTATED
MEMORANDUM OF ASSOCIATION

OF

PUYI INC.
□□□□□□

(Adopted by Special Resolution passed on and effective conditional and immediately prior to the completion of the Company's initial public offering of American depositary shares representing its Ordinary Shares)

1. The name of the Company is Puyi Inc. □□□□□□ (the "**Company**").

2. The registered office of the Company will be situated at the offices of Walkers Corporate Limited, Cayman Corporate Centre, 27 Hospital Road, George Town, Grand Cayman KY1-9008, Cayman Islands or at such other location as the Directors may from time to time determine.

3. The objects for which the Company is established are unrestricted and the Company shall have full power and authority to carry out any object not prohibited by any law as provided by Section 7(4) of the Companies Law (as amended) of the Cayman Islands (the "**Companies Law**").

4. The Company shall have and be capable of exercising all the functions of a natural person of full capacity irrespective of any question of corporate benefit as provided by Section 27(2) of the Companies Law.

5. The Company will not trade in the Cayman Islands with any person, firm or corporation except in furtherance of the business of the Company carried on outside the Cayman Islands; provided that nothing in this section shall be construed as to prevent the Company effecting and concluding contracts in the Cayman Islands, and exercising in the Cayman Islands all of its powers necessary for the carrying on of its business outside the Cayman Islands.

6. The liability of the shareholders of the Company is limited to the amount, if any, unpaid on the shares respectively held by them.

7. The authorised share capital of the Company is **US$2,000,000** divided into **2,000,000,000** Ordinary Shares of a nominal or par value of **US$0.001** each. Subject to the Companies Law and the Articles of Association, the Company shall have power to redeem or purchase any of its shares and to sub-divide or consolidate the said shares or any of them and to issue all or any part of its capital whether original, redeemed, increased or reduced with or without any preference, priority, special privilege or other rights or subject to any postponement of rights or to any conditions or restrictions whatsoever and so that unless the conditions of issue shall otherwise expressly provide every issue of shares whether stated to be ordinary, preference or otherwise shall be subject to the powers on the part of the Company hereinbefore provided.

8. The Company may exercise the power contained in Section 206 of the Companies Law to deregister in the Cayman Islands and be registered by way of continuation in some other jurisdiction.

9. Capitalized terms that are not defined in this Memorandum of Association bear the same meaning as those given in the Articles of Association of the Company.

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THE COMPANIES LAW (AS AMENDED)
OF THE CAYMAN ISLANDS
COMPANY LIMITED BY SHARES

SECOND AMENDED AND RESTATED
ARTICLES OF ASSOCIATION

OF

PUYI INC.
□□□□□□

(Adopted by Special Resolution passed on and effective conditional and immediately prior to the completion of the Company's initial public offering of American depositary shares representing its Ordinary Shares)

TABLE A

The Regulations contained or incorporated in Table 'A' in the First Schedule of the Companies Law shall not apply to Puyi Inc. □□□□□□ (the "**Company**") and the following Articles shall comprise the Articles of Association of the Company.

INTERPRETATION

5. In these Articles the following defined terms will have the meanings ascribed to them, if not inconsistent with the subject or context:

"**ADS**" means an American depositary share, each representing such number of Ordinary Shares as set out in the registration statements of the Company;

"**Affiliate**" means in respect of a Person, any other Person that, directly or indirectly, through (1) one or more intermediaries, controls, is controlled by, or is under common control with, such Person, and (i) in the case of a natural person, shall include, without limitation, such person's spouse, parents, children, siblings, mother-in-law, father-in-law, brothers-in-law and sisters-in-law, a trust for the benefit of any of the foregoing, and a corporation, partnership or any other entity wholly or jointly owned by any of the foregoing, and (ii) in the case of an entity, shall include a partnership, a corporation or any other entity or any natural person which directly, or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with, such entity. The term "control" shall mean the ownership, directly or indirectly, of shares possessing more than fifty per cent (50%) of the voting power of the corporation, partnership or other entity (other than, in the case of a corporation, securities having such power only by reason of the happening of a contingency), or having the power to control the management or elect a majority of members to the board of directors or equivalent decision-making body of such corporation, partnership or other entity;

"**Articles**" means these articles of association of the Company, as amended or substituted from time to time;

"**Board**" and "**Board of Directors**" and "**Directors**" means the directors of the Company for the time being, or as the case may be, the directors assembled as a board or as a committee thereof;

"**Chairman**" means the chairman of the Board of Directors;

"**Class**" or "**Classes**" means any class or classes of Shares as may from time to time be issued by the Company;

"**Commission**" means Securities and Exchange Commission of the United States of America or any other federal agency for the time being administering the Securities Act;

"**Companies Law**" means the Companies Law (as amended) of the Cayman Islands;

"**Company**" means Puyi Inc. □□□□□□, a Cayman Islands exempted company;

"**Company's Website**" means the website of the Company, the address or domain name of which has been notified to Shareholders;

"**Designated Stock Exchange**" means the stock exchange in the United States on which any Shares and ADSs are listed for trading;

"**Designated Stock Exchange Rules**" means the relevant code, rules and regulations, as amended, from time to time, applicable as a result of the original and continued listing of any Shares or ADSs on the Designated Stock Exchange;

"**electronic"** means the meaning given to it in the Electronic Transactions Law (as amended) of the Cayman Islands and any amendment thereto or re-enactments thereof for the time being in force and includes every other law incorporated therewith or substituted therefor;

"**electronic communication"** means electronic posting to the Company's Website, transmission to any number, address or internet website or other electronic delivery methods as otherwise decided and approved by not less than two-thirds of the vote of the Board;

"**Independent Director"** means a Director who is an independent director as defined in the Designated Stock Exchange Rules;

"**Memorandum of Association**" means the memorandum of association of the Company, as amended or substituted from time to time;

"**Month**" means calendar month;

"**Office**" means the registered office of the Company as required by the Companies Law;

"**Officer**" means the offices for the time being and from time to time of the Company;

"**Ordinary Resolution**" means a resolution:

(a) passed by a simple majority of such Shareholders as, being entitled to do so, vote in person or, where proxies are allowed, by proxy at a general meeting of the Company and where a poll is taken regard shall be had in computing a majority to the number of votes to which each Shareholder is entitled; or

(b) approved in writing by all of the Shareholders entitled to vote at a general meeting of the Company in one or more instruments each signed by one or more of the Shareholders and the effective date of the resolution so adopted shall be the date on which the instrument, or the last of such instruments, if more than one, is executed;

"**Ordinary Shares**" means an ordinary share of par value of US$0.001 each in the capital of the Company having the rights and subject to the restrictions set out in these Articles, including a fraction of a share;

"**paid up**" means paid up as to the par value in respect of the issue of any Shares and includes credited as paid up;

"**Person**" means any natural person, firm, company, joint venture, partnership, corporation, association or other entity (whether or not having a separate legal personality) or any of them as the context so requires, other than in respect of a Director or Officer in which circumstances Person Shall mean any person or entity permitted to act as such in accordance with the laws of the Cayman Islands;

"**Register**" means the register of Members of the Company required to be kept pursuant to the Companies Law;

"**Seal**" means the common seal of the Company (if adopted) including any facsimile thereof;

"**Secretary**" means any Person appointed by the Directors to perform any of the duties of the secretary of the Company;

"**Securities Act**" means the Securities Act of 1933 of the United States of America, as amended, or any similar federal statute and the rules and regulations of the Commission thereunder, all as the same shall be in effect at the time;

"**Share**" means a share in the capital of the Company. All references to "Shares" herein shall be deemed to be Shares of any or all Classes as the context may require. For the avoidance of doubt in these Articles the expression "Share" shall include a fraction of a Share;

"**Shareholder**" or "**Member**" means a Person who is registered as the holder of Shares in the Register and includes each subscriber to the Memorandum of Association pending entry in the Register of such subscriber;

"**Share Premium Account**" means the share premium account established in accordance with these Articles and the Companies Law;

"**signed**" means bearing a signature or representation of a signature affixed by mechanical means or an electronic symbol or process attached to or logically associated with an electronic communication and executed or adopted by a person with the intent to sign the electronic communication;

"**Special Resolution**" means a special resolution of the Company passed in accordance with the Companies Law being a resolution:

(b) passed by not less than two-thirds of such Shareholders as, being entitled to do so, vote in person or, where proxies are allowed, by proxy at a general meeting of the Company of which notice specifying the intention to propose the resolution as a special resolution has been duly given and where a poll is taken regard shall be had in computing a majority to the number of votes to which each Shareholder is entitled; or

(b) approved in writing by all of the Shareholders entitled to vote at a general meeting of the Company in one or more instruments each signed by one or more of the Shareholders and the effective date of the special resolution so adopted shall be the date on which the instrument or the last of such instruments, if more than one, is executed;

"**Treasury Shares**" means Shares that were previously issued but were purchased, redeemed, surrendered or otherwise acquired by the Company and not cancelled;

"**United States**" means the United States of America, its territories, its possessions and all areas subject to its jurisdiction; and

"**year**" means calendar year.

2. In these Articles, save where the context requires otherwise:

(a) words importing the singular number shall include the plural number and vice versa;

(b) words importing the masculine gender only shall include the feminine gender and any Person as the context may require;

(c) the word "may" shall be construed as permissive and the word "shall" shall be construed as imperative;

(d) reference to a dollar or dollars (or US$) and to a cent or cents is reference to dollars and cents of the United States of America;

(e) reference to a statutory enactment shall include reference to any amendment or re-enactment thereof for the time being in force;

(f) reference to any determination by the Directors shall be construed as a determination by the Directors in their sole and absolute discretion and shall be applicable either generally or in any particular case; and

(g) reference to "in writing" shall be construed as written or represented by any means reproducible in writing, including any form of print, lithograph, email, facsimile, photograph or telex or represented by any other substitute or format for storage or transmission for writing or partly one and partly another.

3. Subject to the last two preceding Articles, any words defined in the Companies Law shall, if not inconsistent with the subject or context, bear the same meaning in these Articles.

PRELIMINARY

4. The business of the Company may be conducted as the Directors see fit.

5. The Office shall be at such address in the Cayman Islands as the Directors may from time to time determine. The Company may in addition establish and maintain such other offices and places of business and agencies in such places as the Directors may from time to time determine.

6. The expenses incurred in the formation of the Company and in connection with the offer for subscription and issue of Shares shall be paid by the Company. Such expenses may be amortised over such period as the Directors may determine and the amount so paid shall be charged against income and/or capital in the accounts of the Company as the Directors shall determine.

7. The Directors shall keep, or cause to be kept, the Register at such place or (subject to compliance with the Companies Law and these Articles) places as the Directors may from time to time determine. In the absence of any such determination, the Register shall be kept at the Office.

SHARES

8. Subject to these Articles, all Shares for the time being unissued shall be under the control of the Directors who may, in their absolute discretion and without the approval of the Members, cause the Company to:

(a) issue, allot and dispose of the same to such Persons, in such manner, on such terms and having such rights and being subject to such restrictions as they may from time to time determine;

(b) grant rights over Shares or other securities to be issued in one or more classes or series as they deem necessary or appropriate and determine the designations, powers, preferences, privileges and other rights attaching to such Shares or securities, including dividend rights, voting rights, conversion rights, terms of redemption and liquidation preferences, any or all of which may be greater than the powers, preferences, privileges and rights associated with the then issued and outstanding Shares, at such times and on such other terms as they think proper; and

(c) grant options with respect to such Shares and issue warrants or similar instruments with respect thereto;

and, for such purposes, the Directors may reserve an appropriate number of Shares for the time being unissued.

9. The Directors may authorise the division of Shares into any number of Classes and sub-classes and the different Classes and sub-classes shall be authorised, established and designated (or re-designated as the case may be) and the variations in the relative rights (including, without limitation, voting, dividend and redemption rights), restrictions, preferences, privileges and payment obligations as between the different Classes (if any) may be fixed and determined by the Directors or by the Shareholders by Ordinary Resolution. The Directors may issue Shares with such preferred or other rights, all or any of which may be greater than the rights of Ordinary Shares, at such time and on such terms as they may think appropriate. Notwithstanding Article 12 the Directors may issue from time to time, out of the authorised share capital of the Company (other than the authorised but unissued Ordinary Shares), series of preferred shares in their absolute discretion and without approval of the Members; provided, however, before any preferred shares of any such series are issued, the Directors shall by resolution of Directors determine, with respect to any series of preferred shares, the terms and rights of that series, including:

(a) the designation of such series, the number of preferred shares to constitute such series and the subscription price thereof if different from the par value thereof;

(b) whether the preferred shares of such series shall have voting rights, in addition to any voting rights provided by law, and, if so, the terms of such voting rights, which may be general or limited;

(c) the dividends, if any, payable on such series, whether any such dividends shall be cumulative, and, if so, from what dates, the conditions and dates upon which such dividends shall be payable, and the preference or relation which such dividends shall bear to the dividends payable on any shares of any other class or any other series of shares;

(d) whether the preferred shares of such series shall be subject to redemption by the Company, and, if so, the times, prices and other conditions of such redemption;

(e) whether the preferred shares of such series shall have any rights to receive any part of the assets available for distribution amongst the Members upon the liquidation of the Company, and, if so, the terms of such liquidation preference, and the relation which such liquidation preference shall bear to the entitlements of the holders of shares of any other class or any other series of shares;

(f) whether the preferred shares of such series shall be subject to the operation of a retirement or sinking fund and, if so, the extent to and manner in which any such retirement or sinking fund shall be applied to the purchase or redemption of the preferred shares of such series for retirement or other corporate purposes and the terms and provisions relative to the operation thereof;

(g) whether the preferred shares of such series shall be convertible into, or exchangeable for, shares of any other class or any other series of preferred shares or any other securities and, if so, the price or prices or the rate or rates of conversion or exchange and the method, if any, of adjusting the same, and any other terms and conditions of conversion or exchange;

(h) the limitations and restrictions, if any, to be effective while any preferred shares of such series are outstanding upon the payment of dividends or the making of other distributions on, and upon the purchase, redemption or other acquisition by the Company of, the existing shares or shares of any other class of shares or any other series of preferred shares;

(i) the conditions or restrictions, if any, upon the creation of indebtedness of the Company or upon the issue of any additional shares, including additional shares of such series or of any other class of shares or any other series of preferred shares; and

(j) any other powers, preferences and relative, participating, optional and other special rights, and any qualifications, limitations and restrictions thereof;

and, for such purposes, the Directors may reserve an appropriate number of Shares for the time being unissued. The Company shall not issue Shares to bearer.

10. The Company may insofar as may be permitted by law, pay a commission to any Person in consideration of his subscribing or agreeing to subscribe whether absolutely or conditionally for any Shares. Such commissions may be satisfied by the payment of cash or the lodgement of fully or partly paid-up Shares or partly in one way and partly in the other. The Company may also pay such brokerage as may be lawful on any issue of Shares.

11. The Directors may refuse to accept any application for Shares, and may accept any application in whole or in part, for any reason or for no reason.

MODIFICATION OF RIGHTS

12. Whenever the capital of the Company is divided into different Classes (and as otherwise determined by the Directors) the rights attached to any such Class may, subject to any rights or restrictions for the time being attached to any Class, only be materially adversely varied or abrogated with the consent in writing of the holders of not less than two-thirds of the issued Shares of the relevant Class, or with the sanction of a resolution passed at a separate meeting of the holders of the Shares of such Class by a majority of two-thirds of the votes cast at such a meeting. To every such separate meeting all the provisions of these Articles relating to general meetings of the Company or to the proceedings thereat shall, *mutatis mutandis*, apply, except that the necessary quorum shall be one or more Persons at least holding or representing by proxy one-third in nominal or par value amount of the issued Shares of the relevant Class (but so that if at any adjourned meeting of such holders a quorum as above defined is not present, those Shareholders who are present shall form a quorum) and that, subject to any rights or restrictions for the time being attached to the Shares of that Class, every Shareholder of the Class shall on a poll have one vote for each Share of the Class held by him. For the purposes of this Article the Directors may treat all the Classes or any two or more Classes as forming one Class if they consider that all such Classes would be affected in the same way by the proposals under consideration, but in any other case shall treat them as separate Classes.

13. The rights conferred upon the holders of the Shares of any Class issued with preferred or other rights shall not, subject to any rights or restrictions for the time being attached to the Shares of that Class, be deemed to be materially adversely varied or abrogated by, *inter alia*, the creation, allotment or issue of further Shares ranking *pari passu* with or subsequent to them or the redemption or purchase of any Shares of any Class by the Company. The rights of the holders of Shares shall not be deemed to be materially adversely varied by the creation or issue of Shares with preferred or other rights including, without limitation, the creation of Shares with enhanced or weighted voting rights.

CERTIFICATES

14. Every Person whose name is entered as a member in the Register shall, without payment, be entitled to a certificate within two months after allotment or lodgement of transfer (or within such other period as the conditions of issue shall provide) in the form determined by the Directors. All certificates shall specify the Share or Shares held by that person and the amount paid up thereon, provided that in respect of a Share or Shares held jointly by several persons the Company shall not be bound to issue more than one certificate, and delivery of a certificate for a Share to one of several joint holders shall be sufficient delivery to all. All certificates for Shares shall be delivered personally or sent through the post addressed to the member entitled thereto at the Member's registered address as appearing in the register.

15. Every share certificate of the Company shall bear legends required under the applicable laws, including the Securities Act.

16. Any two or more certificates representing Shares of any one Class held by any Member may at the Member's request be cancelled and a single new certificate for such Shares issued in lieu on payment (if the Directors shall so require) of US$1.00 or such smaller sum as the Directors shall determine.

17. If a share certificate shall be damaged or defaced or alleged to have been lost, stolen or destroyed, a new certificate representing the same Shares may be issued to the relevant Member upon request subject to delivery up of the old certificate or (if alleged to have been lost, stolen or destroyed) compliance with such conditions as to evidence and indemnity and the payment of out-of-pocket expenses of the Company in connection with the request as the Directors may think fit.

18. In the event that Shares are held jointly by several persons, any request may be made by any one of the joint holders and if so made shall be binding on all of the joint holders.

FRACTIONAL SHARES

19. The Directors may issue fractions of a Share and, if so issued, a fraction of a Share shall be subject to and carry the corresponding fraction of liabilities (whether with respect to nominal or par value, premium, contributions, calls or otherwise), limitations, preferences, privileges, qualifications, restrictions, rights (including, without prejudice to the generality of the foregoing, voting and participation rights) and other attributes of a whole Share. If more than one fraction of a Share of the same Class is issued to or acquired by the same Shareholder such fractions shall be accumulated.

LIEN

20. The Company has a first and paramount lien on every Share (whether or not fully paid) for all amounts (whether presently payable or not) payable at a fixed time or called in respect of that Share. The Company also has a first and paramount lien on every Share registered in the name of a Person indebted or under liability to the Company (whether he is the sole registered holder of a Share or one of two or more joint holders) for all amounts owing by him or his estate to the Company (whether or not presently payable). The Directors may at any time declare a Share to be wholly or in part exempt from the provisions of this Article. The Company's lien on a Share extends to any amount payable in respect of it.

21. The Company may sell, in such manner as the Directors may determine, any Share on which the Company has a lien, but no sale shall be made unless an amount in respect of which the lien exists is presently payable nor until the expiration of fourteen days after a notice in writing, demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the Share, or the Persons entitled thereto by reason of his death or bankruptcy.

22. For giving effect to any such sale the Directors may authorise some Person to transfer the Shares sold to the purchaser thereof. The purchaser shall be registered as the holder of the Shares comprised in any such transfer and he shall not be bound to see to the application of the purchase money, nor shall his title to the Shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.

23. The proceeds of the sale after deduction of expenses, fees and commission incurred by the Company shall be received by the Company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable, and the residue shall (subject to a like lien for sums not presently payable as existed upon the Shares prior to the sale) be paid to the Person entitled to the Shares immediately prior to the sale.

CALLS ON SHARES

24. The Directors may from time to time make calls upon the Shareholders in respect of any moneys unpaid on their Shares, and each Shareholder shall (subject to receiving at least fourteen days' notice specifying the time or times of payment) pay to the Company at the time or times so specified the amount called on such Shares.

25. The joint holders of a Share shall be jointly and severally liable to pay calls in respect thereof.

26. If a sum called in respect of a Share is not paid before or on the day appointed for payment thereof, the Person from whom the sum is due shall pay interest upon the sum at the rate of eight percent per annum from the day appointed for the payment thereof to the time of the actual payment, but the Directors shall be at liberty to waive payment of that interest wholly or in part.

27. The provisions of these Articles as to the liability of joint holders and as to payment of interest shall apply in the case of non-payment of any sum which, by the terms of issue of a Share, becomes payable at a fixed time, whether on account of the amount of the Share, or by way of premium, as if the same had become payable by virtue of a call duly made and notified.

28. The Directors may make arrangements on the issue of partly paid Shares for a difference between the Shareholders, or the particular Shares, in the amount of calls to be paid and in the times of payment.

29. The Directors may, if they think fit, receive from any Shareholder willing to advance the same all or any part of the moneys uncalled and unpaid upon any partly paid Shares held by him, and upon all or any of the moneys so advanced may (until the same would, but for such advance, become presently payable) pay interest at such rate (not exceeding without the sanction by Ordinary Resolution, eight percent per annum) as may be agreed upon between the Shareholder paying the sum in advance and the Directors.

FORFEITURE OF SHARES

30. If a Shareholder fails to pay any call or instalment of a call in respect of partly paid Shares on the day appointed for payment, the Directors may, at any time thereafter during such time as any part of such call or instalment remains unpaid, serve a notice on him requiring payment of so much of the call or instalment as is unpaid, together with any interest which may have accrued.

31. The notice shall name a further day (not earlier than the expiration of fourteen days from the date of the notice) on or before which the payment required by the notice is to be made, and shall state that in the event of non-payment at or before the time appointed the Shares in respect of which the call was made will be liable to be forfeited.

32. If the requirements of any such notice as aforesaid are not complied with, any Share in respect of which the notice has been given may at any time thereafter, before the payment required by notice has been made, be forfeited by a resolution of the Directors to that effect.

33. A forfeited Share may be sold or otherwise disposed of on such terms and in such manner as the Directors think fit, and at any time before a sale or disposition the forfeiture may be cancelled on such terms as the Directors think fit.

34. A Person whose Shares have been forfeited shall cease to be a Shareholder in respect of the forfeited Shares, but shall, notwithstanding, remain liable to pay to the Company all moneys which at the date of forfeiture were payable by him to the Company in respect of the Shares forfeited, but his liability shall cease if and when the Company receives payment in full of the amount unpaid on the Shares forfeited. A certificate in writing under the hand of a Director that a Share has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts in the declaration as against all Persons claiming to be entitled to the Share.

35. The Company may receive the consideration, if any, given for a Share on any sale or disposition thereof pursuant to the provisions of these Articles as to forfeiture and may execute a transfer of the Share in favour of the Person to whom the Share is sold or disposed of and that Person shall be registered as the holder of the Share, and shall not be bound to see to the application of the purchase money, if any, nor shall his title to the Shares be affected by any irregularity or invalidity in the proceedings in reference to the disposition or sale.

36. The provisions of these Articles as to forfeiture shall apply in the case of non-payment of any sum which by the terms of issue of a Share becomes due and payable, whether on account of the amount of the Share, or by way of premium, as if the same had been payable by virtue of a call duly made and notified.

TRANSFER OF SHARES

37. The instrument of transfer of any Share shall be in any usual or common form or such other form as the Directors may determine and be executed by or on behalf of the transferor and if in respect of a nil or partly paid up Share, or if so required by the Directors, shall also be executed on behalf of the transferee and shall be accompanied by the certificate (if any) of the Shares to which it relates and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer. The transferor shall be deemed to remain a Shareholder until the name of the transferee is entered in the Register in respect of the relevant Shares.

38. (a) Subject to the terms of issue thereof, the Directors may determine to decline to register any transfer of Shares without assigning any reason therefor.

(b) The Directors may also decline to register any transfer of any Share unless:

(i) the instrument of transfer is lodged with the Company, accompanied by the certificate for the Shares to which it relates and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer;

(ii) the instrument of transfer is in respect of only one Class of Shares;

(iii) the instrument of transfer is properly stamped, if required;

(iv) in the case of a transfer to joint holders, the number of joint holders to whom the Share is to be transferred does not exceed four; or

(v) a fee of such maximum sum as the Designated Stock Exchange may determine to be payable or such lesser sum as the Board of Directors may from time to time require, is paid to the Company in respect thereof.

39. The registration of transfers may, on ten calendar days' notice being given by advertisement in such one or more newspapers or by electronic means or by any other means in accordance with the Designated Stock Exchange Rules, be suspended and the Register of Members closed at such times and for such periods as the Directors may, in their absolute discretion, from time to time determine, provided always that such registration of transfer shall not be suspended nor the Register of Members closed for more than 30 days in any year.

40. All instruments of transfer that are registered shall be retained by the Company. If the Directors refuse to register a transfer of any Shares, they shall within two months after the date on which the transfer was lodged with the Company send to each of the transferor and the transferee notice of the refusal.

TRANSMISSION OF SHARES

41. The legal personal representative of a deceased sole holder of a Share shall be the only Person recognised by the Company as having any title to the Share. In the case of a Share registered in the name of two or more holders, the survivors or survivor, or the legal personal representatives of the deceased holder of the Share, shall be the only Person recognised by the Company as having any title to the Share.

42. Any Person becoming entitled to a Share in consequence of the death or bankruptcy of a Shareholder shall upon such evidence being produced as may from time to time be required by the Directors, have the right either to be registered as a Shareholder in respect of the Share or, instead of being registered himself, to make such transfer of the Share as the deceased or bankrupt Person could have made; but the Directors shall, in either case, have the same right to decline or suspend registration as they would have had in the case of a transfer of the Share by the deceased or bankrupt Person before the death or bankruptcy.

43. A Person becoming entitled to a Share by reason of the death or bankruptcy of a Shareholder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered Shareholder, except that he shall not, before being registered as a Shareholder in respect of the Share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company, provided however, that the Directors may at any time give notice requiring any such person to elect either to be registered himself or to transfer the Share, and if the notice is not complied with within ninety days, the Directors may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the Share until the requirements of the notice have been complied with.

REGISTRATION OF EMPOWERING INSTRUMENTS

44. The Company shall be entitled to charge a fee not exceeding one dollar (US$1.00) on the registration of every probate, letters of administration, certificate of death or marriage, power of attorney, notice in lieu of distringas, or other instrument.

ALTERATION OF SHARE CAPITAL

45. The Company may from time to time by Ordinary Resolution increase the share capital by such sum, to be divided into Shares of such Classes and amount, as the resolution shall prescribe.

46. The Company may by Ordinary Resolution:

(a) consolidate and divide all or any of its share capital into Shares of a larger amount than its existing Shares;

(b) subdivide its existing Shares, or any of them into Shares of a smaller amount provided that in the subdivision the proportion between the amount paid and the amount, if any, unpaid on each reduced Share shall be the same as it was in case of the Share from which the reduced Share is derived;

(c) convert all or any of its paid up Shares into stock and reconvert that stock into paid up Shares of any denomination;

(d) cancel any Shares that, at the date of the passing of the resolution, have not been taken or agreed to be taken by any Person and diminish the amount of its share capital by the amount of the Shares so cancelled.

47. The Company may by Special Resolution reduce its share capital and any capital redemption reserve in any manner authorised by law.

REDEMPTION, PURCHASE AND SURRENDER OF SHARES

48. Subject to the Companies Law and these Articles, the Company may:

(a) issue Shares on terms that they are to be redeemed or are liable to be redeemed at the option of the Company or the Shareholder on such terms and in such manner as may be determined, before the issue of such Shares, by either the Board or by the Shareholders by Ordinary Resolution;

(b) purchase its own Shares (including any redeemable Shares) on such terms and in such manner as have been approved by the Board or by the Members by Ordinary Resolution, or are otherwise authorised by these Articles;

(c) make a payment in respect of the redemption or purchase of its own Shares in any manner authorised by the Companies Law, including out of its capital; and

(d) accept the surrender for no consideration of any paid up Share (including any redeemable Share) on such terms and in such manner as the Directors may determine.

49. Any Share in respect of which notice of redemption has been given shall not be entitled to participate in the profits of the Company in respect of the period after the date specified as the date of redemption in the notice of redemption.

50. The redemption, purchase or surrender of any Share shall not be deemed to give rise to the redemption, purchase or surrender of any other Share.

51. The Directors may when making payments in respect of redemption or purchase of Shares, if authorised by the terms of issue of the Shares being redeemed or purchased or with the agreement of the holder of such Shares, make such payment either in cash or in specie including without limitation, interests in a special purpose vehicle holding assets of the Company or holding entitlement to the proceeds of assets held by the Company or in a liquidation structure.

TREASURY SHARES

52. Shares that the Company purchases, redeems or acquires (by way of surrender or otherwise) may, at the option of the Company, be cancelled immediately or held as Treasury Shares in accordance with the Companies Law. In the event that the Directors do not specify that the relevant Shares are to be held as Treasury Shares, such Shares shall be cancelled.

53. No dividend may be declared or paid, and no other distribution (whether in cash or otherwise) of the Company's assets (including any distribution of assets to members on a winding up) may be declared or paid in respect of a Treasury Share.

54. The Company shall be entered in the Register as the holder of the Treasury Shares provided that:

(a) the Company shall not be treated as a member for any purpose and shall not exercise any right in respect of the Treasury Shares, and any purported exercise of such a right shall be void;

(b) a Treasury Share shall not be voted, directly or indirectly, at any meeting of the Company and shall not be counted in determining the total number of issued shares at any given time, whether for the purposes of these Articles or the Companies Law, save that an allotment of Shares as fully paid bonus shares in respect of a Treasury Share is permitted and Shares allotted as fully paid bonus shares in respect of a treasury share shall be treated as Treasury Shares.

55. Treasury Shares may be disposed of by the Company on such terms and conditions as determined by the Directors.

GENERAL MEETINGS

56. All general meetings other than annual general meetings shall be called extraordinary general meetings.

57. (a) The Company shall in each year hold a general meeting as its annual general meeting and shall specify the meeting as such in the notices calling it. The annual general meeting shall be held at such time and place as may be determined by the Directors.

(b) At these meetings the report of the Directors (if any) shall be presented.

58. (a) The Directors may call general meetings, and they shall on a Members requisition forthwith proceed to convene an extraordinary general meeting of the Company.

(b) A Members requisition is a requisition of Members of the Company holding at the date of deposit of the requisition not less than one-third of such of the paid-up capital of the Company as at that date of the deposit carries the right of voting at general meetings of the Company.

(c) The requisition must state the objects of the meeting and must be signed by the requisitionists and deposited at the registered office of the Company, and may consist of several documents in like form each signed by one or more requisitionists.

(d) If the Directors do not within 21 days from the date of the deposit of the requisition duly proceed to convene a general meeting to be held within a further twenty-one days, the requisitionists, or any of them representing more than one-half of the total voting rights of all of them, may themselves convene a general meeting, but any meeting so convened shall not be held after the expiration of three months after the expiration of the said 21 days.

(e) A general meeting convened as aforesaid by requisitionists shall be convened in the same manner as nearly as possible as that in which general meetings are to be convened by Directors.

NOTICE OF GENERAL MEETINGS

59. At least ten (10) calendar days' notice shall be given for any general meeting. Every notice shall be exclusive of the day on which it is given or deemed to be given and of the day for which it is given and shall specify the place, the day and the hour of the meeting and the general nature of the business and shall be given in the manner hereinafter mentioned or in such other manner if any as may be prescribed by the Company, provided that a general meeting of the Company shall, whether or not the notice specified in this Article has been given and whether or not the provisions of these Articles regarding general meetings have been complied with, be deemed to have been duly convened if it is so agreed:

(a) in the case of an annual general meeting by all the Members (or their proxies) entitled to attend and vote thereat; and

(b) in the case of an extraordinary general meeting by a majority in number of the Members (or their proxies) having a right to attend and vote at the meeting, being a majority together holding not less than ninety five per cent in par value of the Shares giving that right.

60. The accidental omission to give notice of a meeting to or the non-receipt of a notice of a meeting by any Shareholder shall not invalidate the proceedings at any meeting.

PROCEEDINGS AT GENERAL MEETINGS

61. All business carried out at a general meeting shall be deemed special with the exception of sanctioning a dividend, the consideration of the accounts, balance sheets, any report of the Directors or of the Company's auditors, the appointment and removal of Directors and the fixing of the remuneration of the Company's auditors. No special business shall be transacted at any general meeting without the consent of all Shareholders entitled to receive notice of that meeting unless notice of such special business has been given in the notice convening that meeting.

62. No business shall be transacted at any general meeting unless a quorum of Members is present at the time when the meeting proceeds to business. The holders of Shares being not less than an aggregate of one-third of all Shares in issue present in person or by proxy and entitled to vote shall be a quorum for all purposes.

63. If within half an hour from the time appointed for the meeting a quorum is not present, the meeting, if convened upon the requisition of Shareholders, shall be dissolved. In any other case it shall stand adjourned to the same day in the next week, at the same time and place, and if at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting the Shareholder or Shareholders present and entitled to vote shall form a quorum.

64. If the Directors wish to make this facility available for a specific general meeting or all general meetings of the Company, participation in any general meeting of the Company may be by means of a telephone or similar communication equipment by way of which all Persons participating in such meeting can communicate with each other and such participation shall be deemed to constitute presence in person at the meeting.

65. The chairman, if any, of the Directors shall preside as chairman at every general meeting of the Company.

66. If there is no such chairman, or if at any general meeting he is not present within fifteen minutes after the time appointed for holding the meeting or is unwilling to act as chairman, any Director or Person nominated by the Directors shall preside as chairman, failing which the Shareholders present in person or by proxy shall choose any Person present to be chairman of that meeting.

The chairman may with the consent of any general meeting at which a quorum is present (and shall if so directed by the meeting) adjourn a meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. When a meeting, or adjourned meeting, is adjourned for fourteen days or more, notice of the adjourned meeting shall be given in the manner provided for the original meeting. Save as aforesaid, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

67. The Directors may cancel or postpone any duly convened general meeting at any time prior to such meeting, except for general meetings requisitioned by the Shareholders in accordance with these Articles, for any reason or for no reason, upon notice in writing to Shareholders. A postponement may be for a stated period of any length or indefinitely as the Directors may determine.

68. At any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands, unless a poll is (before or on the declaration of the result of the show of hands) demanded by the chairman or one or more Shareholders present in person or by proxy entitled to vote, and unless a poll is so demanded, a declaration by the chairman that a resolution has, on a show of hands, been carried, or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the book of the proceedings of the Company, shall be conclusive evidence of the fact, without proof of the number or proportion of the votes recorded in favour of, or against, that resolution.

69. If a poll is duly demanded it shall be taken in such manner as the chairman directs, and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.

70. In the case of an equality of votes, whether on a show of hands or on a poll, the chairman of the meeting at which the show of hands takes place or at which the poll is demanded, shall be entitled to a second or casting vote.

71. All questions submitted to a meeting shall be decided by an Ordinary Resolution except where a greater majority is required by these Articles or by the Law. A poll demanded on the election of a chairman of the meeting or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken at such time as the chairman of the meeting directs.

VOTES OF SHAREHOLDERS

72. Subject to any rights and restrictions for the time being attached to any Share, on a show of hands every Shareholder present in person and every Person representing a Shareholder by proxy (or, if a corporation or other non-natural person, by its duly authorized representative or proxy) shall, at a general meeting or extraordinary general meeting of the Company, each have one (1) vote and on a poll every Shareholder and every Person representing a Shareholder by proxy (or, if a corporation or other non-natural person, by its duly authorized representative or proxy) shall have one (1) vote for each Share of which he or the Person represented by proxy is the holder.

73. In the case of joint holders the vote of the senior who tenders a vote, whether in person or by proxy (or, if a corporation or other non-natural person, by its duly authorized representative or proxy), shall be accepted to the exclusion of the votes of the other joint holders and for this purpose seniority shall be determined by the order in which the names stand in the Register.

74. Shares carrying the right to vote are held by a Shareholder of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may be voted in respect of Shares carrying the right to vote held by him, whether on a show of hands or on a poll, by his committee, or other Person in the nature of a committee appointed by that court, and any such committee or other Person, may vote in respect of such Shares by proxy.

75. No Shareholder shall be entitled to vote at any general meeting of the Company unless he is registered as a Shareholder on the record date for such meeting nor unless all calls, if any, or other sums presently payable by him in respect of Shares carrying the right to vote held by him have been paid.

76. On a poll votes may be given either personally or by proxy.

77. Each Shareholder, other than a recognised clearing house (or its nominee(s)) or depositary (or its nominee(s)), may only appoint one proxy on a show of hand. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under Seal or under the hand of an Officer or attorney duly authorised. A proxy need not be a Shareholder.

78. An instrument appointing a proxy may be in any usual or common form or such other form as the Directors may approve and may be expressed to be for a particular meeting or any adjournment thereof or generally until revoked.

79. The instrument appointing a proxy shall be deposited at the Office or at such other place as is specified for that purpose in the notice convening the meeting, or in any instrument of proxy sent out by the Company:

(a) not less than forty-eight (48) hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote; or

(b) in the case of a poll taken more than forty-eight (48) hours after it is demanded, be deposited as aforesaid after the poll has been demanded and not less than twenty-four (24) hours before the time appointed for the taking of the poll; or

(c) where the poll is not taken forthwith but is taken not more than forty-eight (48) hours after it was demanded be delivered at the meeting at which the poll was demanded to the chairman or to the secretary or to any director;

provided that the Directors may in the notice convening the meeting, or in an instrument of proxy sent out by the Company, direct that the instrument appointing a proxy may be deposited (no later than the time for holding the meeting or adjourned meeting) at the Registered Office or at such other place as is specified for that purpose in the notice convening the meeting, or in any instrument of proxy sent out by the Company. The chairman may in any event at his discretion direct that an instrument of proxy shall be deemed to have been duly deposited. An instrument of proxy that is not deposited in the manner permitted shall be invalid.

80. The instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll.

81. A resolution in writing signed by all the Shareholders for the time being entitled to receive notice of and to attend and vote at general meetings of the Company (or being corporations by their duly authorised representatives) shall be as valid and effective as if the same had been passed at a general meeting of the Company duly convened and held.

CORPORATIONS ACTING BY REPRESENTATIVES AT MEETINGS

82. Any corporation which is a Shareholder or a Director may by resolution of its directors or other governing body authorise such Person as it thinks fit to act as its representative at any meeting of the Company or of any meeting of holders of a Class or of the Directors or of a committee of Directors, and the Person so authorised shall be entitled to exercise the same powers on behalf of the corporation which he represents as that corporation could exercise if it were an individual Shareholder or Director.

CLEARING HOUSES

83. If a clearing house (or its nominee) is a Member of the Company it may, by resolution of its directors or other governing body or by power of attorney, authorise such person or persons as it thinks fit to act as its representative or representatives at any general meeting of the Company or at any general meeting of any class of Members of the Company provided that, if more than one person is so authorised, the authorisation shall specify the number and class of Shares in respect of which each such person is so authorised. A person so authorised pursuant to this Article shall be entitled to exercise the same powers on behalf of the clearing house (or its nominee) which he represents as that clearing house (or its nominee) could exercise if it were an individual Member holding the number and Class of Shares specified in such authorisation.

DIRECTORS

84. (a) Unless otherwise determined by the Company in general meeting, the number of Directors shall not be less than three Directors, the exact number of Directors to be determined from time to time by the Board of Directors.

(b) The Board of Directors shall have a Chairman elected and appointed by a majority of the Directors then in office. The period for which the Chairman will hold office will also be determined by a majority of all of the Directors then in office. The Chairman shall preside as chairman at every meeting of the Board of Directors. To the extent the Chairman is not present at a meeting of the Board of Directors within fifteen minutes after the time appointed for holding the same, the attending Directors may choose one of their number to be the chairman of the meeting.

(c) The Company may by Ordinary Resolution appoint any Person to be a Director.

(d) The Directors may by the affirmative vote of a simple majority of the Directors present and voting at a Board meeting, appoint any person to be a Director either to fill a vacancy on the Board or as an addition to the existing Board.

(e) An appointment of a Director may be on terms that the Director shall automatically retire from office (unless he has sooner vacated office) at the next or a subsequent annual general meeting or upon any specified event or after any specified period in a written agreement between the Company and the Director, if any; but no such term shall be implied in the absence of express provision. Each Director whose term of office expires shall be eligible for re-election at a meeting of the Shareholders or re-appointment by the Board.

85. A Director may be removed from office by Ordinary Resolution of the Company, notwithstanding anything in these Articles or in any agreement between the Company and such Director (but without prejudice to any claim for damages under such agreement). A vacancy on the Board created by the removal of a Director under the previous sentence may be filled by Ordinary Resolution or by the affirmative vote of a simple majority of the remaining Directors present and voting at a Board meeting. The notice of any meeting at which a resolution to remove a Director shall be proposed or voted upon must contain a statement of the intention to remove that Director and such notice must be served on that Director not less than ten (10) calendar days before the meeting. Such Director is entitled to attend the meeting and be heard on the motion for his removal.

86. The Board may, from time to time, and except as required by applicable law or Designated Stock Exchange Rules, adopt, institute, amend, modify or revoke the corporate governance policies or initiatives, which shall be intended to set forth the policies of the Company and the Board on various corporate governance related matters as the Board shall determine by resolution from time to time.

87. A Director shall not be required to hold any Shares in the Company by way of qualification. A Director who is not a member of the Company shall nevertheless be entitled to attend and speak at general meetings.

88. The remuneration of the Directors may be determined by the Directors or by Ordinary Resolution.

89. The Directors shall be entitled to be paid their travelling, hotel and other expenses properly incurred by them in going to, attending and returning from meetings of the Directors, or any committee of the Directors, or general meetings of the Company, or otherwise in connection with the business of the Company, or to receive such fixed allowance in respect thereof as may be determined by the Directors from time to time, or a combination partly of one such method and partly the other.

ALTERNATE DIRECTOR

90. Any Director may in writing appoint another Person to be his alternate and, save to the extent provided otherwise in the form of appointment, such alternate shall have authority to sign written resolutions on behalf of the appointing Director, but shall not be authorised to sign such written resolutions where they have been signed by the appointing Director, and to act in such Director's place at any meeting of the Directors. Every such alternate shall be entitled to attend and vote at meetings of the Directors as the alternate of the Director appointing him and where he is a Director to have a separate vote in addition to his own vote. A Director may at any time in writing revoke the appointment of an alternate appointed by him. Such alternate shall not be an Officer solely as a result of his appointment as an alternate other than in respect of such times as the alternate acts as a Director. The remuneration of such alternate shall be payable out of the remuneration of the Director appointing him and the proportion thereof shall be agreed between them.

POWERS AND DUTIES OF DIRECTORS

91. Subject to the Companies Law, these Articles and to any resolutions passed in a general meeting, the business of the Company shall be managed by the Directors, who may pay all expenses incurred in setting up and registering the Company and may exercise all powers of the Company. No resolution passed by the Company in general meeting shall invalidate any prior act of the Directors that would have been valid if that resolution had not been passed.

92. Subject to Article 122, the Directors may from time to time appoint any Person, whether or not a Director to hold such office in the Company as the Directors may think necessary for the administration of the Company, including but not limited to, the office of president, one or more vice-presidents, treasurer, assistant treasurer, manager or controller, and for such term and at such remuneration (whether by way of salary or commission or participation in profits or partly in one way and partly in another), and with such powers and duties as the Directors may think fit. Any Person so appointed by the Directors may be removed by the Directors. The Directors may also appoint one or more of their number to the office of managing director upon like terms, but any such appointment shall ipso facto terminate if any managing director ceases from any cause to be a Director, or if the Company by Ordinary Resolution resolves that his tenure of office be terminated.

93. The Directors may appoint any Person to be a Secretary (and if need be an assistant Secretary or assistant Secretaries) who shall hold office for such term, at such remuneration and upon such conditions and with such powers as they think fit. Any Secretary or assistant Secretary so appointed by the Directors may be removed by the Directors or by the Company by Ordinary Resolution.

94. The Directors may delegate any of their powers to committees consisting of such member or members of their body as they think fit; any committee so formed shall in the exercise of the powers so delegated conform to any regulations that may be imposed on it by the Directors.

95. The Directors may from time to time and at any time by power of attorney (whether under Seal or under hand) or otherwise appoint any company, firm or Person or body of Persons, whether nominated directly or indirectly by the Directors, to be the attorney or attorneys or authorised signatory (any such person being an "**Attorney**" or "**Authorised Signatory**", respectively) of the Company for such purposes and with such powers, authorities and discretion (not exceeding those vested in or exercisable by the Directors under these Articles) and for such period and subject to such conditions as they may think fit, and any such power of attorney or other appointment may contain such provisions for the protection and convenience of Persons dealing with any such Attorney or Authorised Signatory as the Directors may think fit, and may also authorise any such Attorney or Authorised Signatory to delegate all or any of the powers, authorities and discretion vested in him.

96. The Directors may from time to time provide for the management of the affairs of the Company in such manner as they shall think fit and the provisions contained in the three next following Articles shall not limit the general powers conferred by this Article.

97. The Directors from time to time and at any time may establish any committees, local boards or agencies for managing any of the affairs of the Company and may appoint any Person to be a member of such committees or local boards and may appoint any managers or agents of the Company and may fix the remuneration of any such Person.

98. The Directors from time to time and at any time may delegate to any such committee, local board, manager or agent any of the powers, authorities and discretions for the time being vested in the Directors and may authorise the members for the time being of any such local board, or any of them to fill any vacancies therein and to act notwithstanding vacancies and any such appointment or delegation may be made on such terms and subject to such conditions as the Directors may think fit and the Directors may at any time remove any Person so appointed and may annul or vary any such delegation, but no Person dealing in good faith and without notice of any such annulment or variation shall be affected thereby.

99. Any such delegates as aforesaid may be authorised by the Directors to sub-delegate all or any of the powers, authorities, and discretion for the time being vested in them.

100. The Directors may agree with a Shareholder to waive or modify the terms applicable to such Shareholder's subscription for Shares without obtaining the consent of any other Shareholder; provided that such waiver or modification does not amount to a variation or abrogation of the rights attaching to the Shares of such other Shareholders.

BORROWING POWERS OF DIRECTORS

101. The Directors may exercise all the powers of the Company to borrow money and to mortgage or charge its undertaking, property and uncalled capital or any part thereof, or to otherwise provide for a security interest to be taken in such undertaking, property or uncalled capital, and to issue debentures, debenture stock and other securities whenever money is borrowed or as security for any debt, liability or obligation of the Company or of any third party.

THE SEAL

102. The Seal shall not be affixed to any instrument except by the authority of a resolution of the Directors provided always that such authority may be given prior to or after the affixing of the Seal and if given after may be in general form confirming a number of affixings of the Seal. The Seal shall be affixed in the presence of a Director or a Secretary (or an assistant Secretary) or in the presence of any one or more Persons as the Directors may appoint for the purpose and every Person as aforesaid shall sign every instrument to which the Seal is so affixed in their presence.

103. The Company may maintain a facsimile of the Seal in such countries or places as the Directors may appoint and such facsimile Seal shall not be affixed to any instrument except by the authority of a resolution of the Directors provided always that such authority may be given prior to or after the affixing of such facsimile Seal and if given after may be in general form confirming a number of affixings of such facsimile Seal. The facsimile Seal shall be affixed in the presence of such Person or Persons as the Directors shall for this purpose appoint and such Person or Persons as aforesaid shall sign every instrument to which the facsimile Seal is so affixed in their presence and such affixing of the facsimile Seal and signing as aforesaid shall have the same meaning and effect as if the Seal had been affixed in the presence of and the instrument signed by a Director or a Secretary (or an assistant Secretary) or in the presence of any one or more Persons as the Directors may appoint for the purpose.

104. Notwithstanding the foregoing, a Secretary or any assistant Secretary shall have the authority to affix the Seal, or the facsimile Seal, to any instrument for the purposes of attesting authenticity of the matter contained therein but which does not create any obligation binding on the Company.

DISQUALIFICATION OF DIRECTORS

105. The office of Director shall be vacated, if the Director:

(a) becomes bankrupt or makes any arrangement or composition with his creditors;

(b) dies or is found to be or becomes of unsound mind;

(c) resigns his office by notice in writing to the Company; or

(d) is prohibited by any applicable Law or Designated Stock Exchange Rules from being a Director;

(e) without special leave of absence from the Board, is absent from meetings of the Board for three consecutive meetings and the Board resolves that his office be vacated;; or

(f) is removed from office pursuant to any other provision of these Articles.

PROCEEDINGS OF DIRECTORS

106. The Directors may meet together (either within or outside the Cayman Islands) for the despatch of business, adjourn, and otherwise regulate their meetings and proceedings as they think fit. Questions arising at any meeting shall be decided by a majority of votes. In case of an equality of votes the chairman shall have a second or casting vote. A Director may, and a Secretary or assistant Secretary on the requisition of a Director shall, at any time summon a meeting of the Directors.

107. A Director may participate in any meeting of the Directors, or of any committee appointed by the Directors of which such Director is a member, by means of telephone or similar communication equipment by way of which all Persons participating in such meeting can communicate with each other and such participation shall be deemed to constitute presence in person at the meeting.

108. The quorum necessary for the transaction of the business of the Directors may be fixed by the Directors, and unless so fixed, if there be two or more Directors the quorum shall be two, and if there be one Director the quorum shall be one. A Director represented or by an alternate Director at any meeting shall be deemed to be present for the purposes of determining whether or not a quorum is present.

109. A Director who is in any way, whether directly or indirectly, interested in a contract or proposed contract with the Company shall declare the nature of his interest at a meeting of the Directors. A general notice given to the Directors by any Director to the effect that he is to be regarded as interested in any contract or other arrangement which may thereafter be made with that company or firm shall be deemed a sufficient declaration of interest in regard to any contract so made. Subject to the Designated Stock Exchange Rules and disqualification by the chairman of the relevant Board meeting, a Director may vote in respect of any contract or proposed contract or arrangement notwithstanding that he may be interested therein and if he does so his vote shall be counted and he may be counted in the quorum at any meeting of the Directors at which any such contract or proposed contract or arrangement shall come before the meeting for consideration.

110. A Director may hold any other office or place of profit under the Company (other than the office of auditor) in conjunction with his office of Director for such period and on such terms (as to remuneration and otherwise) as the Directors may determine and no Director or intending Director shall be disqualified by his office from contracting with the Company either with regard to his tenure of any such other office or place of profit or as vendor, purchaser or otherwise, nor shall any such contract or arrangement entered into by or on behalf of the Company in which any Director is in any way interested, be liable to be avoided, nor shall any Director so contracting or being so interested be liable to account to the Company for any profit realised by any such contract or arrangement by reason of such Director holding that office or of the fiduciary relation thereby established. A Director, notwithstanding his interest, may be counted in the quorum present at any meeting of the Directors whereat he or any other Director is appointed to hold any such office or place of profit under the Company or whereat the terms of any such appointment are arranged and he may vote on any such appointment or arrangement.

111. Any Director may act by himself or his firm in a professional capacity for the Company, and he or his firm shall be entitled to remuneration for professional services as if he were not a Director; provided that nothing herein contained shall authorise a Director or his firm to act as auditor to the Company.

112. The Directors shall cause minutes to be made in books or loose-leaf folders provided for the purpose of recording:

(a) all appointments of Officers made by the Directors;

(b) the names of the Directors present at each meeting of the Directors and of any committee of the Directors; and

(c) all resolutions and proceedings at all meetings of the Company, and of the Directors and of committees of Directors.

113. When the chairman of a meeting of the Directors signs the minutes of such meeting the same shall be deemed to have been duly held notwithstanding that all the Directors have not actually come together or that there may have been a technical defect in the proceedings.

114. A resolution in writing signed by all the Directors or all the members of a committee of Directors entitled to receive notice of a meeting of Directors or committee of Directors, as the case may be (an alternate Director, subject as provided otherwise in the terms of appointment of the alternate Director, being entitled to sign such a resolution on behalf of his appointer), shall be as valid and effectual as if it had been passed at a duly called and constituted meeting of Directors or committee of Directors, as the case may be. When signed a resolution may consist of several documents each signed by one or more of the Directors or his duly appointed alternate.

115. The continuing Directors may act notwithstanding any vacancy in their body but if and for so long as their number is reduced below the number fixed by or pursuant to these Articles as the necessary quorum of Directors, the continuing Directors may act for the purpose of increasing the number, or of summoning a general meeting of the Company, but for no other purpose.

116. The Directors may elect a chairman of their meetings and determine the period for which he is to hold office but if no such chairman is elected, or if at any meeting the chairman is not present within fifteen minutes after the time appointed for holding the meeting, the Directors present may choose one of their number to be chairman of the meeting.

117. Subject to any regulations imposed on it by the Directors, a committee appointed by the Directors may elect a chairman of its meetings. If no such chairman is elected, or if at any meeting the chairman is not present within fifteen minutes after the time appointed for holding the meeting, the committee members present may choose one of their number to be chairman of the meeting.

118. A committee appointed by the Directors may meet and adjourn as it thinks proper. Subject to any regulations imposed on it by the Directors, questions arising at any meeting shall be determined by a majority of votes of the committee members present and in case of an equality of votes the chairman shall have a second or casting vote.

119. All acts done by any meeting of the Directors or of a committee of Directors, or by any Person acting as a Director, shall notwithstanding that it be afterwards discovered that there was some defect in the appointment of any such Director or Person acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such Person had been duly appointed and was qualified to be a Director.

PRESUMPTION OF ASSENT

120. A Director of the Company who is present at a meeting of the Board of Directors at which action on any Company matter is taken shall be presumed to have assented to the action taken unless his dissent shall be entered in the Minutes of the meeting or unless he shall file his written dissent from such action with the person acting as the chairman or secretary of the meeting before the adjournment thereof or shall forward such dissent by registered post to such person immediately after the adjournment of the meeting. Such right to dissent shall not apply to a Director who voted in favour of such action.

DIVIDENDS

121. Subject to any rights and restrictions for the time being attached to any Shares, or as otherwise provided for in the Companies Law and these Articles, the Directors may from time to time declare dividends (including interim dividends) and other distributions on Shares in issue and authorise payment of the same out of the funds of the Company lawfully available therefor.

122. Subject to any rights and restrictions for the time being attached to any Shares, the Company by Ordinary Resolution may declare dividends, but no dividend shall exceed the amount recommended by the Directors.

123. The Directors may determine, before recommending or declaring any dividend, to set aside out of the funds legally available for distribution such sums as they think proper as a reserve or reserves which shall be applicable for meeting contingencies, or for equalising dividends or for any other purpose to which those funds may be properly applied and pending such application may, at the determination of the Directors, either be employed in the business of the Company or be invested in such investments as the Directors may from time to time think fit.

124. Any dividend may be paid in any manner as the Directors may determine. If paid by cheque it will be sent through the post to the registered address of the Shareholder or Person entitled thereto, or in the case of joint holders, to any one of such joint holders at his registered address or to such Person and such address as the Shareholder or Person entitled, or such joint holders as the case may be, may direct. Every such cheque shall be made payable to the order of the Person to whom it is sent or to the order of such other Person as the Shareholder or Person entitled, or such joint holders as the case may be, may direct.

125. The Directors when paying dividends to the Shareholders in accordance with the foregoing provisions of these Articles may make such payment either in cash or in specie and may determine the extent to which amounts may be withheld therefrom (including, without limitation, any taxes, fees, expenses or other liabilities for which a Shareholder (or the Company, as a result of any action or inaction of the Shareholder) is liable).

126. Subject to any rights and restrictions for the time being attached to any Shares, all dividends shall be declared and paid according to the amounts paid up on the Shares, but if and for so long as nothing is paid up on any of the Shares dividends may be declared and paid according to the par value of the Shares. No amount paid on a Share in advance of calls shall, while carrying interest, be treated for the purposes of this Article as paid on the Share.

127. If several Persons are registered as joint holders of any Share, any of them may give effectual receipts for any dividend or other moneys payable on or in respect of the Share.

128. No dividend shall bear interest against the Company.

ACCOUNTS, AUDIT AND ANNUAL RETURN AND DECLARATION

129. The books of account relating to the Company's affairs shall be kept in such manner as may be determined from time to time by the Directors.

130. The books of account shall be kept at the Office, or at such other place or places as the Directors think fit, and shall always be open to the inspection of the Directors.

131. The Directors may from time to time determine whether and to what extent and at what times and places and under what conditions or regulations the accounts and books of the Company or any of them shall be open to the inspection of Shareholders not being Directors, and no Shareholder (not being a Director) shall have any right of inspecting any account or book or document of the Company except as conferred by law or authorised by the Directors or by Ordinary Resolution.

132. The accounts relating to the Company's affairs shall be audited in such manner and with such financial year end as may be determined from time to time by the Directors or failing any determination as aforesaid shall not be audited.

133. The Directors may appoint an Auditor of the Company who shall hold office until removed from office by a resolution of the Directors and may fix his or their remuneration.

134. Every Auditor of the Company shall have a right of access at all times to the books and accounts and vouchers of the Company and shall be entitled to require from the Directors and Officers of the Company such information and explanation as may be necessary for the performance of the duties of the auditors.

135. Auditors shall, if so required by the Directors, make a report on the accounts of the Company during their tenure of office at the next annual general meeting following their appointment, and at any time during their term of office, upon request of the Directors or any general meeting of the Members.

136. The Directors in each year shall prepare, or cause to be prepared, an annual return and declaration setting forth the particulars required by the Companies Law and deliver a copy thereof to the Registrar of Companies in the Cayman Islands.

CAPITALISATION OF RESERVES

137. Subject to the Companies Law and these Articles, the Directors may:

(a) resolve to capitalise an amount standing to the credit of reserves (including a Share Premium Account, capital redemption reserve and profit and loss account), whether or not available for distribution;

(b) appropriate the sum resolved to be capitalised to the Shareholders in proportion to the nominal amount of Shares (whether or not fully paid) held by them respectively and apply that sum on their behalf in or towards:

(i) paying up the amounts (if any) for the time being unpaid on Shares held by them respectively, or

(ii) paying up in full unissued Shares or debentures of a nominal amount equal to that sum,

and allot the Shares or debentures, credited as fully paid, to the Shareholders (or as they may direct) in those proportions, or partly in one way and partly in the other, but the Share Premium Account, the capital redemption reserve and profits which are not available for distribution may, for the purposes of this Article, only be applied in paying up unissued Shares to be allotted to Shareholders credited as fully paid;

(c) make any arrangements they think fit to resolve a difficulty arising in the distribution of a capitalised reserve and in particular, without limitation, where Shares or debentures become distributable in fractions the Directors may deal with the fractions as they think fit;

(d) authorise a Person to enter (on behalf of all the Shareholders concerned) into an agreement with the Company providing for either:

(i) the allotment to the Shareholders respectively, credited as fully paid, of Shares or debentures to which they may be entitled on the capitalisation, or

(ii) the payment by the Company on behalf of the Shareholders (by the application of their respective proportions of the reserves resolved to be capitalised) of the amounts or part of the amounts remaining unpaid on their existing Shares,

and any such agreement made under this authority being effective and binding on all those Shareholders; and

(e) generally do all acts and things required to give effect to any of the actions contemplated by this Article.

SHARE PREMIUM ACCOUNT

138. The Directors shall in accordance with the Companies Law establish a Share Premium Account and shall carry to the credit of such account from time to time a sum equal to the amount or value of the premium paid on the issue of any Share.

139. There shall be debited to any Share Premium Account on the redemption or purchase of a Share the difference between the nominal value of such Share and the redemption or purchase price provided always that at the determination of the Directors such sum may be paid out of the profits of the Company or, if permitted by the Companies Law, out of capital.

NOTICES

140. Except as otherwise provided in these Articles, any notice or document may be served by the Company or by the Person entitled to give notice to any Shareholder either personally, or by posting it airmail or air courier service in a prepaid letter addressed to such Shareholder at his address as appearing in the Register, or by electronic mail to any electronic mail address such Shareholder may have specified in writing for the purpose of such service of notices, or by facsimile or by placing it on the Company's Website should the Directors deem it appropriate provided that the Company has obtained the member's prior express positive confirmation in writing to receive notices in such manner. In the case of joint holders of a Share, all notices shall be given to that one of the joint holders whose name stands first in the Register in respect of the joint holding, and notice so given shall be sufficient notice to all the joint holders.

141. Notices posted to addresses outside the Cayman Islands shall be forwarded by prepaid airmail.

142. Any Shareholder present, either personally or by proxy, at any meeting of the Company shall for all purposes be deemed to have received due notice of such meeting and, where requisite, of the purposes for which such meeting was convened.

143. Any notice or other document, if served by:

(a) post, shall be deemed to have been served five days after the time when the letter containing the same is posted;

(b) facsimile, shall be deemed to have been served upon production by the transmitting facsimile machine of a report confirming transmission of the facsimile in full to the facsimile number of the recipient;

(c) recognised courier service, shall be deemed to have been served 48 hours after the time when the letter containing the same is delivered to the courier service; or

(d) electronic mail, shall be deemed to have been served immediately upon the time of the transmission by electronic mail.

In proving service by post or courier service it shall be sufficient to prove that the letter containing the notice or documents was properly addressed and duly posted or delivered to the courier service.

144. Any notice or document delivered or sent in accordance with the terms of these Articles shall notwithstanding that such Shareholder be then dead or bankrupt, and whether or not the Company has notice of his death or bankruptcy, be deemed to have been duly served in respect of any Share registered in the name of such Shareholder as sole or joint holder, unless his name shall at the time of the service of the notice or document, have been removed from the Register as the holder of the Share, and such service shall for all purposes be deemed a sufficient service of such notice or document on all Persons interested (whether jointly with or as claiming through or under him) in the Share.

145. Notice of every general meeting of the Company shall be given to:

(a) all Shareholders holding Shares with the right to receive notice and who have supplied to the Company an address for the giving of notices to them; and

(b) every Person entitled to a Share in consequence of the death or bankruptcy of a Shareholder, who but for his death or bankruptcy would be entitled to receive notice of the meeting.

No other Person shall be entitled to receive notices of general meetings.

INFORMATION

146. No Member shall be entitled to require discovery of any information in respect of any detail of the Company's trading or any information which is or may be in the nature of a trade secret or secret process which may relate to the conduct of the business of the Company and which in the opinion of the Board would not be in the interests of the Members of the Company to communicate to the public.

147. The Board shall be entitled to release or disclose any information in its possession, custody or control regarding the Company or its affairs to any of its Members including, without limitation, information contained in the Register and transfer books of the Company.

INDEMNITY

148. Every Director (including for the purposes of this Article any alternate Director appointed pursuant to the provisions of these Articles), Secretary, assistant Secretary, or other Officer (but not including the Company's auditors) and the personal representatives of the same (each an "Indemnified Person") shall be indemnified and secured harmless against all actions, proceedings, costs, charges, expenses, losses, damages or liabilities incurred or sustained by such Indemnified Person, other than by reason of such Indemnified Person's own dishonesty, wilful default or fraud as determined by a court of competent jurisdiction, in or about the conduct of the Company's business or affairs (including as a result of any mistake of judgment) or in the execution or discharge of his duties, powers, authorities or discretions, including without prejudice to the generality of the foregoing, any costs, expenses, losses or liabilities incurred by such Indemnified Person in defending (whether successfully or otherwise) any civil proceedings concerning the Company or its affairs in any court whether in the Cayman Islands or elsewhere.

149. No Indemnified Person shall be liable:

(a) for the acts, receipts, neglects, defaults or omissions of any other Director or Officer or agent of the Company; or

(b) for any loss on account of defect of title to any property of the Company; or

(c) on account of the insufficiency of any security in or upon which any money of the Company shall be invested; or

(d) for any loss incurred through any bank, broker or other similar Person; or

(e) for any loss occasioned by any negligence, default, breach of duty, breach of trust, error of judgement or oversight on such Indemnified Person's part; or

(f) for any loss, damage or misfortune whatsoever which may happen in or arise from the execution or discharge of the duties, powers, authorities, or discretions of such Indemnified Person's office or in relation thereto;

unless the same shall happen through such Indemnified Person's own dishonesty, wilful default or fraud as determined by a court of competent jurisdiction.

FINANCIAL YEAR

150. Unless the Directors otherwise prescribe, the financial year of the Company shall end on December 31st in each year and shall begin on January 1st in each year.

NON-RECOGNITION OF TRUSTS

151. No Person shall be recognised by the Company as holding any Share upon any trust and the Company shall not, unless required by law, be bound by or be compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any Share or (except only as otherwise provided by these Articles or as the Companies Law requires) any other right in respect of any Share except an absolute right to the entirety thereof in each Shareholder registered in the Register.

WINDING UP

152. If the Company shall be wound up the liquidator may, with the sanction of a Special Resolution of the Company and any other sanction required by the Companies Law, divide amongst the Members in kind the whole or any part of the assets of the Company (whether they shall consist of property of the same kind or not) and may for that purpose value any assets and determine how the division shall be carried out as between the Members or different classes of Members. The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the Members as the liquidator, with the like sanction, shall think fit, but so that no Member shall be compelled to accept any asset upon which there is a liability.

153. If the Company shall be wound up, and the assets available for distribution amongst the Members shall be insufficient to repay the whole of the share capital, such assets shall be distributed so that, as nearly as may be, the losses shall be borne by the Members in proportion to the par value of the Shares held by them. If in a winding up the assets available for distribution amongst the Members shall be more than sufficient to repay the whole of the share capital at the commencement of the winding up, the surplus shall be distributed amongst the Members in proportion to the par value of the Shares held by them at the commencement of the winding up subject to a deduction from those Shares in respect of which there are monies due, of all monies payable to the Company for unpaid calls or otherwise. This Article is without prejudice to the rights of the holders of Shares issued upon special terms and conditions.

AMENDMENT OF ARTICLES OF ASSOCIATION

154. Subject to the Companies Law and the rights attaching to the various Classes, the Company may at any time and from time to time by Special Resolution alter or amend these Articles in whole or in part.

CLOSING OF REGISTER OR FIXING RECORD DATE

155. For the purpose of determining those Shareholders that are entitled to receive notice of, attend or vote at any meeting of Shareholders or any adjournment thereof, or those Shareholders that are entitled to receive payment of any dividend, or in order to make a determination as to who is a Shareholder for any other purpose, the Directors may provide that the Register shall be closed for transfers for a stated period which shall not exceed in any case 30 days. If the Register shall be so closed for the purpose of determining those Shareholders that are entitled to receive notice of, attend or vote at a meeting of Shareholders the Register shall be so closed for at least ten days immediately preceding such meeting and the record date for such determination shall be the date of the closure of the Register.

156. In lieu of or apart from closing the Register, the Directors may fix in advance a date as the record date for any such determination of those Shareholders that are entitled to receive notice of, attend or vote at a meeting of the Shareholders and for the purpose of determining those Shareholders that are entitled to receive payment of any dividend the Directors may, at or within 90 days prior to the date of declaration of such dividend, fix a subsequent date as the record date for such determination.

157. If the Register is not so closed and no record date is fixed for the determination of those Shareholders entitled to receive notice of, attend or vote at a meeting of Shareholders or those Shareholders that are entitled to receive payment of a dividend, the date on which notice of the meeting is posted or the date on which the resolution of the Directors declaring such dividend is adopted, as the case may be, shall be the record date for such determination of Shareholders. When a determination of those Shareholders that are entitled to receive notice of, attend or vote at a meeting of Shareholders has been made as provided in this Article, such determination shall apply to any adjournment thereof.

REGISTRATION BY WAY OF CONTINUATION

158. The Company may by Special Resolution resolve to be registered by way of continuation in a jurisdiction outside the Cayman Islands or such other jurisdiction in which it is for the time being incorporated, registered or existing. In furtherance of a resolution adopted pursuant to this Article, the Directors may cause an application to be made to the Registrar of Companies to deregister the Company in the Cayman Islands or such other jurisdiction in which it is for the time being incorporated, registered or existing and may cause all such further steps as they consider appropriate to be taken to effect the transfer by way of continuation of the Company.

DISCLOSURE

159. The Directors, or any service providers (including the Officers, the Secretary and the registered office agent of the Company) specifically authorised by the Directors, shall be entitled to disclose to any regulatory or judicial authority any information regarding the affairs of the Company including without limitation information contained in the Register and books of the Company.

Exhibit 5.1

November 21, 2018 Our Ref: YX/PW/ H17816

Puyi Inc.
No. 15 Zhujiang West Road, Zhujiang New Town, Tianhe, Guangzhou

Guangdong Province, People's Republic of ChinaDear Sirs

Puyi Inc.

We have acted as Cayman Islands legal advisers to Puyi Inc. (the "**Company**") in connection with the Company's registration statement on Form F-1, including all amendments or supplements thereto (the "**Registration Statement**"), filed with the Securities and Exchange Commission pursuant to Rule 462(b) under the U.S. Securities Act of 1933, as amended, relating to the offering by the Company of American Depositary Shares representing the Company's Ordinary Shares of a par value of US$0.001 each (the "**Ordinary Shares**"). We are furnishing this opinion as exhibit 5.1 to the Registration Statement.

For the purposes of giving this opinion, we have examined and relied upon the originals, copies or translations of the documents listed in Schedule 1.

In giving this opinion we have relied upon the assumptions set out in Schedule 2, which we have not independently verified.

We are Cayman Islands Attorneys at Law and express no opinion as to any laws other than the laws of the Cayman Islands in force and as interpreted at the date of this opinion. We have not, for the purposes of this opinion, made any investigation of the laws, rules or regulations of any other jurisdiction. Except as explicitly stated herein, we express no opinion in relation to any representation or warranty contained in any of the documents cited in this opinion nor upon matters of fact or the commercial terms of the transactions the subject of this opinion.

Based upon the foregoing examinations and assumptions and upon such searches as we have conducted and having regard to legal considerations which we consider relevant, and under the laws of the Cayman Islands, we give the following opinions in relation to the matters set out below.

1. The Company is an exempted company duly incorporated with limited liability, validly existing under the laws of the Cayman Islands.

2. The authorised share capital of the Company is currently US$2,000,000 divided into 2,000,000,000 Ordinary Shares of a par value of US$0.001 each,

3. The issue and allotment of the Ordinary Shares pursuant to the Registration Statement has been duly authorised. When allotted, issued and fully paid for as contemplated in the Registration Statement and when appropriate entries have been made in the Register of Members of the Company, the Ordinary Shares to be issued by the Company will be validly issued, allotted and fully paid, and there will be no further obligation on the holder of any of the Ordinary Shares to make any further payment to the Company in respect of such Ordinary Shares.

4. The statements under the caption "Taxation" in the prospectus forming part of the Registration Statement, to the extent that they constitute statements of Cayman Islands law, are accurate in all material respects. Such statements constitute our opinion.

We hereby consent to the use of this opinion in, and the filing hereof, as an exhibit to the Registration Statement and to the reference to our firm under the headings "Enforceability of Civil Liabilities", "Description of Share Capital", "Legal Matters" and elsewhere in the prospectus included in the Registration Statement. In giving such consent, we do not thereby admit that we come within the category of persons whose consent is required under Section 7 of the U.S. Securities Act of 1933, as amended, or the Rules and Regulations of the Commission thereunder.

This opinion is limited to the matters referred to herein and shall not be construed as extending to any other matter or document not referred to herein.

This opinion shall be construed in accordance with the laws of the Cayman Islands.

Yours faithfully

/s/ Walkers (Hong Kong)

Walkers (Hong Kong)

SCHEDULE 1

LIST OF DOCUMENTS EXAMINED

1. The Certificate of Incorporation dated 6 August 2018, the Amended and Restated Memorandum and Articles of Association as conditionally adopted by special resolution on November 21, 2018 and effective immediately upon the completion of the initial public offering of the Company's American Depositary Shares representing its Ordinary Shares (the "**Amended and Restated M&A**"), Register of Members and Register of Directors of the Company, copies of which have been provided to us by the Company's registered office (together, the "**Company Records**").

2. A copy of the signed minutes of the meeting of the members of the Company dated November 21, 2018 2018 and a copy of executed written resolutions of the Board of Directors of the Company dated November 21, 2018 (the "**Resolutions**").

3. A certificate from a director of the Company dated November 21, 2018, a copy of which is attached hereto (the "**Director's Certificate**").

4. The Registration Statement.

SCHEDULE 2

ASSUMPTIONS

1. The originals of all documents examined in connection with this opinion are authentic. All documents purporting to be sealed have been so sealed. All copies are complete and conform to their originals.

2. The Company Records are complete and accurate and all matters required by law and the Amended and Restated M&A to be recorded therein are completely and accurately so recorded.

3. The Director's Certificate is true and correct as at the date hereof.

Puyi Inc.
Avalon Trust & Corporate Services Ltd.,
Landmark Square,
1st Floor, 64 Earth Close,
PO Box 715,
Grand Cayman KY1-1107,
Cayman Islands

November 21, 2018

Walkers (Hong Kong)
15th Floor, Alexandra House
18 Chater Road, Central
Hong Kong

Dear Sirs,

Puyi Inc. (the "Company") – Director's Certificate

I, Hu Anlin, being a director of the Company, am aware that you are being asked to provide a legal opinion (the "**Opinion**") in relation to certain aspects of Cayman Islands law. Capitalised terms used in this certificate have the meaning given to them in the Opinion. I hereby certify that:

1. the M&A dated 2 August 2018 remain in full force and effect and are otherwise unamended;

2. the signed minutes of the meeting of theshareholders of the Company dated November 21, 2018 were signed by and on behalf of the chairman in the manner prescribed in the articles of association of the Company, the signature thereon is that of a person or persons in whose name the minutes have been expressed to be signed, are in full force and effect at the date hereof and have not been amended, varied or revoked in any respect;

3. the written resolutions of the board of directors dated November 21, 2018 were executed by all the directors in the manner prescribed in the articles of association of the Company, the signatures and initials thereon are those of a person or persons in whose name the resolutions have been expressed to be signed, are in full force and effect at the date hereof and have not been amended, varied or revoked in any respect; and

4. there is no contractual or other prohibition (other than as arising under Cayman Islands law) binding on the Company prohibiting it from issuing and allotting the Ordinary Shares.

I confirm that you may continue to rely on this Certificate as being true and correct on the day that you issue the Opinion unless I have previously notified you personally to the contrary.

Signature: /s/ Hu Anlin
Name: Hu Anlin
Director

Exhibit 10.1

INSTRUMENT OF TRANSFER

PUYI INC.
(Incorporated in the Cayman Islands with limited liability)

~~I~~/We, Worldwide Success Group Limited
of OMC Chambers, Wickhams Cay 1, Road Town, Tortola, British Virgin Islands
in consideration of the sum of Nil
paid to ~~me~~/us by (name) Advance Tycoon Limited
(occupation)
of (address) Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, British Virgin Islands
(hereinafter "the said Transferee") do hereby transfer to the said Transferee the - 12,832,000 -
share(s) numbered
standing in ~~my~~/our name in the register of: -

PUYI INC.

to hold unto the said Transferee his Executors, Administrators or Assigns, subject to the several conditions upon which ~~I~~/we hold the same at the time of execution hereof. And I/~~we~~, the said Transferee do hereby agree to take the said share(s) subject to the same conditions.

Witness our hands the 31st day of August 2018.

For and on behalf of
WORLDWIDE SUCCESS GROUP LIMITED

By: /s/ Haifeng Yu

For and on behalf of
ADVANCE TYCOON LIMITED

By: /s/ Jinxia Wang

Exhibit 10.2

INSTRUMENT OF TRANSFER

PUYI INC.
(Incorporated in the Cayman Islands with limited liability)

~~I~~/We, Worldwide Success Group Limited
of OMC Chambers, Wickhams Cay 1, Road Town, Tortola, British Virgin Islands
in consideration of the sum of Nil
paid to ~~me~~/us by (name). Danica Surge Limited
(occupation)
of (address) Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, British Virgin Islands
(hereinafter "the said Transferee") do hereby transfer to the said Transferee the - 13,600,000 -
share(s) numbered
standing in ~~my~~/our name in the register of: -

PUYI INC.

to hold unto the said Transferee his Executors, Administrators or Assigns, subject to the several conditions upon which ~~I~~/we hold the same at the time of execution hereof. And ~~I~~/we, the said Transferee do hereby agree to take the said share(s) subject to the same conditions.

Witness our hands the 31st day of August 2018.

For and on behalf of
WORLDWIDE SUCCESS GROUP LIMITED

By: /s/ Haifeng Yu

For and on behalf of
DANICA SURGE LIMITED

By: /s/ Zhuojun Feng

Exhibit 10.3

INSTRUMENT OF TRANSFER

PUYI INC.
(Incorporated in the Cayman Islands with limited liability)

~~I~~/We, Worldwide Success Group Limited
of OMC Chambers, Wickhams Cay 1, Road Town, Tortola, British Virgin Islands
in consideration of the sum of Nil
paid to ~~me~~/us by (name) Winter Dazzle Limited
(occupation)
of (address) Vistra Corporate Services Centre Wickhams Cay II, Road Town Tortola, VG1110, British Virgin Islands
(hereinafter "the said Transferee") do hereby transfer to the said Transferee the - 14,400,000 -
share(s) numbered
standing in ~~my~~/our name in the register of: -

PUYI INC.

to hold unto the said Transferee his Executors, Administrators or Assigns, subject to the several conditions upon which ~~I~~/we hold the same at the time of execution hereof. And ~~I~~/we, the said Transferee do hereby agree to take the said share(s) subject to the same conditions.

Witness our hands the 31st day of August 2018.

For and on behalf of
WORLDWIDE SUCCESS GROUP LIMITED

By: /s/ Haifeng Yu

For and on behalf of
WINTER DAZZLE LIMITED

By: /s/ Longchang Liao

Exhibit 10.4

Share Transfer Agreement
of
Chongqing Fengyi Enterprise Management Consulting Co., Ltd.

The ShareTransfer Agreement is entered into by and among Party A and Party B through the friendly negotiation based on the principle of equality, mutual benefit and good faith in accordance with the laws and regulations of the *Company Law of the People's Republic of China* and Articles of Association of Chongqing Fengyi Enterprise Management Consulting Co., Ltd. (hereinafter referred to as the Company) for the mutual complaince of the Parties.

Party A (Transferor): Yu Haifeng
Add.: No.3, Yishanyi Street, Luogang District, Guangzhou City

Party B (Transferee): Chengdu Puyi Bohui Information Technology Co., Ltd.
Add.: 1F, Building 10, No. 16, South 4th Section, Second Ring Road, Xiaojiahe, Chengdu High-tech Zone

Article I Share transfer

1. Party A shall transfer its equity held in the amount of RMB 300,000 in the Company to Party B;

2. Party B agrees to accept the above share transferred;

3. The transfer price mutually determined is RMB 0,000;

4. Party A warrants that the share transferred to Party B is free from the third party's right of claim and unencumbered with any pledge, and has no any dispute or litigation involved.

5. Upon the completion of the share transfer, the shareholder's corresponding rights and obligations will be enjoyed and assumed by Party B instead of Party A.

6. Party A shall provide the necessary cooperation and coordination for relevant legal procedures, such as approval and change registration, handled by the Company and Party B.

Article II Liabilities for breach

1. After the formal signing of the Agreement, either party's failure to perform or completely perform the terms and conditions of the Agreement will constitute a breach of the Agreement. The breaching party shall be responsible for compensating the loss caused by such breach to the non-breaching party.

2. In case of either party's breach, the non-breaching party is entitled to request the breaching party to continue performing the Agreement.

Article III Applicable law and dispute settlement

1. The Agreement is governed by the laws of the People's Republic of China.

2. All disputes arising out of the performance of the Agreement or in connection to the Agreement shall be settled through the friendly negotiation; if such negotiation fails, it shall be settled through the litigation.

Article IV Effectiveness of the Agreement and others

1. This Agreement shall be effective after the Parties sign or chop on it.

2. The effective date of the Agreement is the date of the share transfer. The Company shall change the Register of Shareholders, renew the Capital Contribution Certificate, and apply to the registration authority for registration or filing of the relevant change.

3. The Agreement is made in quadruplicate, with Party A and Party B respectively holding one, the Company holding one and the relevant change registration or filing organization holding one for such registration or filing.

Party A: Yu Haifeng
By: /s/ Yu Haifeng

Party B: Chengdu Puyi Bohui Information Technology Co., Ltd.
/s/ Seal of Chengdu Puyi Bohui Information Technology Co., Ltd.

Exhibit 10.5

Share Transfer Agreement
of
Chongqing Fengyi Enterprise Management Consulting Co., Ltd.

The ShareTransfer Agreement is entered into by and among Party A and Party B through the friendly negotiation based on the principle of equality, mutual benefit and good faith in accordance with the laws and regulations of the *Company Law of the People's Republic of China* and Articles of Association of Chongqing Fengyi Enterprise Management Consulting Co., Ltd. (hereinafter referred to as the Company) for the mutual complaince of the Parties.

Party A (Transferor):
Renshou Xinrui Enterprise Management Center (Limited Partnership)
Add.: No.246, 1F, Unit 1, Building 1, Renhe Street, Wenlin Town, Renshou County.

Party B (Transferee): Chengdu Puyi Bohui Information Technology Co., Ltd.
Add.: 1F, Building 10, No. 16, South 4th Section, Second Ring Road, Xiaojiahe, Chengdu High-tech Zone

Article I Share transfer

1. Party A shall transfer its equity held in the amount of RMB 29,700,000 in the Company to Party B;

2. Party B agrees to accept the above share transferred;

3. The transfer price mutually determined is RMB 0,000;

4. Party A warrants that the share transferred to Party B is free from the third party's right of claim and unencumbered with any pledge, and has no any dispute or litigation involved.

5. Upon the completion of the share transfer, the shareholder's corresponding rights and obligations will be enjoyed and assumed by Party B instead of Party A.

6. Party A shall provide the necessary cooperation and coordination for relevant legal procedures, such as approval and change registration, handled by the Company and Party B.

Article II Liabilities for breach

1. After the formal signing of the Agreement, either party's failure to perform or completely perform the terms and conditions of the Agreement will constitute a breach of the Agreement. The breaching party shall be responsible for compensating the loss caused by such breach to the non-breaching party.

2. In case of either party's breach, the non-breaching party is entitled to request the breaching party to continue performing the Agreement.

Article III Applicable law and dispute settlement

1. The Agreement is governed by the laws of the People's Republic of China.

2. All disputes arising out of the performance of the Agreement or in connection to the Agreement shall be settled through the friendly negotiation; if such negotiation fails, it shall be settled through the litigation.

Article IV Effectiveness of the Agreement and others

1. This Agreement shall be effective after the Parties sign or chop on it.

2. The effective date of the Agreement is the date of the share transfer. The Company shall change the Register of Shareholders, renew the Capital Contribution Certificate, and apply to the registration authority for registration or filing of the relevant change.

3. The Agreement is made in quadruplicate, with Party A and Party B respectively holding one, the Company holding one and the relevant change registration or filing organization holding one for such registration or filing.

Party A: Renshou Xinrui Enterprise Management Center (Limited Partnership)
/s/ Seal of Renshou Xinrui Enterprise Management Center (Limited Partnership)

Party B: Chengdu Puyi Bohui Information Technology Co., Ltd.
/s/ Seal of Chengdu Puyi Bohui Information Technology Co., Ltd.

Exhibit 10.6

Share Transfer Agreement

This Agreement is entered into by and among the following three parties in Chengdu on December 28, 2016.

Transferor: Chengdu Puyi Bohui Information Technology Co., Ltd. (hereinafter referred to as “Party A”)
Unified Social Credit Code: 91510100594666757E
Legal Representative: Yu Haifeng
Registered add.: 1F, Building 10, No. 16, South 4th Section, Second Ring Road, Xiaojiahe, Chengdu High-tech Zone
Agent: Feng Luo (female; born on June 17, 1985; ID No.: 320981198506170962)

First Transferee: Renshou Xinrui Enterprise Management Center (Limited Partnership) (hereinafter referred to as “Party B”)
Unified Social Credit Code: 91511421MA62J7X45B
Executive Partner: Yu Haifeng
Registered add.: No. 246, 1F, Unit 1, Building 1, No. 246, Renhe Street, Wenlin Town, Renshou County
Agent: Chen Hongming (male; born on April 18, 1981; ID No.: 511121198104183636)

Second Transferee: Yu Haifeng (hereinafter referred to as “Party C”)
ID No.: 410103197407181353
Add.: No. 3, Yishanyi Street, Luogang District, Guangzhou City

Target company: Guangdong Fanhua Puyi Asset Management Co., Ltd. (hereinafter referred to as “the Company”)
Unified Social Credit Code: 91440300069264493C
Legal Representative: Yu Haifeng
Registered add.: Unit 1901, Golden Business Center, No. 2028, Shennan East Road, Dongmen Street, Luohu District, Shenzhen City (stationed into Shenzhen Fanhua Fund Management Service Co., Ltd.)

WHEREAS:

The Company is a limited liability company duly incorporated and existing under the laws of China, with registered capital of RMB 30 million Yuan and paid-up capital of 30 million Yuan; Party A contributed RMB 30 million Yuan and holds 100% share of the Company. As of the date of signing the Agreement, all shareholders enjoy all shareholders' right legally based on their contributions.

The three parties hereof enter into the following agreement through friendly consultation in accordance with the applicable laws and regulations, and in the spirit of equality and mutual benefit and in good faith:

1. Share transfer and share transfer price

1.1 Party A intends to transfer 99% of its shares in the Company to Party B, and Party B agrees to accept the transfer of the target shares. Both Party A and Party B confirm that the price of such share transfer is RMB 29.70 million Yuan. Party B shall pay such price to Party A at a time with 30 days after the completion of share delivery.

1.2 Party A intends to transfer 1% of its shares in the Company to Party C, and Party C agrees to accept the transfer of the target shares. Both Party A and Party C confirm that the price of such share transfer is RMB 300 thousand Yuan. Party C shall pay such price to Party A at a time with 30 days after the completion of share delivery.

2. Share delivery

2.1 The share deliver hereunder shall conform to the following conditions:

2.1.1 The internal decision-making departments of the three parties have made a decision and agreed the share transfer hereunder in accordance with laws, provisions, administrative rules, and respective Articles of Association of the Parties;

2.1.2 The approval (if any) for changes of company shareholders has been obtained from government regulation authorities; the three parties have agreed to fully cooperate and provide relevant materials and information;

2.1.3 All statements and warranties made by the three parties hereunder are true, complete, and accurate, without material false statement and material concealment, and are in continuous effectiveness before the delivery date;

2.1.4 The obligations hereunder which shall be fulfilled by the three partied before the delivery date have been fulfilled by the three parties in accordance with terms and conditions hereunder.

2.2 Upon the completion of the share deliver, or other date confirmed in written form by the Transferor and Transferee (Party A and Party B or Party A and Party C), rights and obligations of Party A corresponding to its equities shall be transferred to Party B or Party C together with the transfer of equities and shall be enjoyed and assumed by Party B and Party C in accordance with regulation of articles of association.

3. Representations, Warranties and Covenants of the Parties

3.1 Representations, Warranties and Covenants of Party A

Party A assures that the representations and warranties hereunder are true, complete and correct, and shall remain effective as of the expiration date of this agreement with exception to those that have been disclosed:

3.1.1 Party A is a limited liability company duly incorporated and existing under the laws of China and a shareholder on the industrial and commercial registration list who legally holds the equities of the company to be transferred and who is the sole oblige of such equities;

3.1.2 Party A has not established any mortgage, pledge, guarantee, trusteeship management, encumbrance or other obstacles that may cause the equities to be subject to the recourse or claim for rights by a third party on such equities for its or any third party's interests;

3.1.3 Except the Agreement, there is no any other binding agreement, decision or other right to sell, transfer, distribute, guarantee or dispose such equities owned by Party A in other ways;

3.1.4 With respect to the signing and performance of the Agreement, Party A has duly obtained all external and internal authorizations necessary for the signing and performance of the Agreement, and has sufficient rights and ability to sign the Agreement and to perform all obligations hereunder;

3.1.5 Party A has obtained the agreement on the transfer of the said equities of Party A through the resolution of the Board of Shareholders of the Company;

3.1.6 Upon the execution of this Agreement, Party A shall be bound by it; and execution and performance of obligations, terms and conditions hereof by Party A will not contravene any laws, regulations, administrative rules, administrative decisions, and mandatory provisions of effective judgment, nor shall it Party A's violation of Party A's articles of association and resolution of the Board of Directors;

3.1.7 Party A promises to actively cooperate with Party A to go through the Company's share change formalities.

3.2 Representation, Warranties and Covenants of Party B

Party B assures that the representations and warranties hereunder are true, complete and correct, and shall remain effective as of the expiration date of this agreement with exception to those that have been disclosed: 3.2.1 Party B has obtained all the necessary approval and authorization and has the full right and capacity for the execution of this Agreement and the performance of all the obligations under this Agreement;

3.2.2 Upon the execution of this Agreement, Party B shall be bound by it. And execution and performance of this Agreement by Party B will not contravene applicable laws, regulations, rules, administrative decisions, legally effective judgments, arbitral decisions, or any contracts or agreements that are binding upon Party B, or cause any conflicts of interest;

3.2.3 Party B has prepared enough funds and made sufficient financial arrangement for performing obligations hereunder. Such funds and financial arrangement are enough to guarantee that Party B can perform payment obligations hereunder according to clauses and conditions hereof;

3.2.4 Party B recognizes contract of the Company and Articles of Association, and guarantees to perform obligations and responsibilities according to regulations of contract and Articles of Association;

3.3 Representation, Warranties and Covenants of Party C

Party C assures that the representations and warranties hereunder are true, complete and correct, and shall remain effective as of the expiration date of this agreement with exception to those that have been disclosed:3.3.1 Party C has obtained all the necessary approval and authorization and has the full right and capacity for the execution of this Agreement and the performance of all the obligations under this Agreement;

3.3.2 Upon the execution of this Agreement, Party B shall be bound by it. And execution and performance of this Agreement by Party B will not contravene applicable laws, regulations, rules, administrative decisions, legally effective judgments, arbitral decisions, or any contracts or agreements that are binding upon Party B, or cause any conflicts of interest;3.3.3 Party C has prepared enough funds and made sufficient financial arrangement for performing obligations hereunder. Such funds and financial arrangement are enough to guarantee that Party C can perform payment obligations hereunder according to clauses and conditions hereof;

3.3.4 Party C recognizes contract of the Company and Articles of Association, and guarantees to perform obligations and responsibilities according to regulations of contract and Articles of Association;

4. Confidentiality

4.1 The Parties hereby agree that the confidential obligation to the relevant content of this agreement and all business information, technical information, financial information and other relevant documents, materials, information data related to the its communications, execution and performance hereof shall bind upon all parties. No Party shall disclose the Confidential Information to any third party, or make use of the Confidential Information for other purposes.

4.2 The following information is excluded from the above article 4.1:

4.2.1 Information that has already been disclosed or can be obtained in ways in accordance with this Agreement;

4.2.2 Information that has been obtained in ways that do not violate the confidential obligations; or

4.2.3 Information that is disclosed in line with applicable laws.

4.3 The confidential obligation shall still bind upon the related parties three years after the date the related parties know, understand, and contact the Confidential Information.

5. Expense and Taxes

5.1 The Parties shall be responsible for their tax liability incurred in the shares transfer hereunder in compliance with the laws.

5.2 All the other expenses incurred, including without limitation to fees for filing the registration of changes with the industrial and commercial authority should be borne by the Company.

6. Liabilities for Breach

6.1 A Party hereto shall constitute a breach of this Agreement if such Party:

6.1.1 fails to perform any obligations hereunder;

6.1.2 violates any representations, warranties and covenants hereunder;

6.1.3 makes any false or misleading representations and warranties hereunder (either in good faith or bad faith).

6.2 In case that the aforesaid happen, the observant party has the right to require the defaulting party to take remedial measures within thirty (30) days; if the defaulting party fails to do so, the observant party is entitled to terminate this agreement and claim compensations for the losses.

7. Force Majeure

7.1 Should any Party fail to perform its obligations set forth in this Agreement due to force majeure event, the Party affected could claim to be exempted from the breach liabilities in light of the effects of force majeure event in line with applicable laws and this Agreement.

7.2 The Party affected by the force majeure event shall perform the following obligations so that the Party could be exempted from breach liabilities as set forth in 7.1:

7.2.1 take necessary measures to minimize or remove the effects of the event of force majeure to minimize the loss, otherwise the Party shall be responsible for the losses caused by the ensuing events;

7.2.2 notify the other Parties without delay, and the notice shall not be made later than fifteen days thereafter under any circumstance;

7.2.3 try to resume performance of obligation(s)affected by force majeure event in the shortest time;

7.2.4 Provide sufficient proof for the existence and duration of force majeure.

7.3 Performance of Agreement under force majeure event

7.3.1 During the period of non-performance or partial non-performance of the Party or the Parties due to force majeure event, both Parties shall continue to perform other obligations set forth in this Agreement

7.3.2 Should the force majeure persist for a period of more than ninety (90) days, the Parties shall, through amicable consultations, decide how to perform this Agreement continuously, or seek other reasonable ways to minimize the effects of the force majeure event.

8. Applicable Laws

The formation, validity, interpretation, performance and dispute resolution of this Agreement shall be governed by related laws of China.

9. Dispute Resolution

9.1 Any dispute arising from or in connection with this Agreement shall be resolved by the Parties through amicable consultation;

9.2 If the Parties cannot resolve the dispute through amicable consultation within sixty (60) days after the occurrence thereof,the parties can file a lawsuit.

10. Miscellaneous Clause

10.1 This Agreement constitutes the entire representations and agreement between the Parties and supersede any oral or written representations, warranties, understandings and agreements concerning the subject matter hereof between the Parties prior to the execution hereof.

10.2 Each provision of this Agreement shall be independent and severable, if any provision of this Agreement is held to be illegal, invalid, and unenforceable by the government, or judicial authority, the legality, validity and enforceability of the remaining provisions of this Agreement shall not be affected or impaired thereby.

10.3 The Parties agree to engage in further negotiations on issues not mentioned herein, and enter into supplemental agreement in writing, after the execution of this Agreement. The supplemental agreement shall constitute an integral part of this Agreement.

10.4 This Agreement shall be effective after the Parties sign or chop on it.

10.5 This Agreement shall be written in Chinese language in five(5) originals, with each Party and the Company holding one (1) original thereof, the remaining shall be filed for approval at the authorized government office or for recording purpose, each of which shall have equal legal validity.

Transferor (Party A): Chengdu Puyi Bohui Information Technology Co., Ltd.

By: /s/ Feng Luo
Name: Feng Luo

Legal Representative or Authorized Representative:

First Transferee (Party B): Renshou Xinrui Enterprise Management Center (Limited Partnership)

By: /s/ Chen Hongming
Name: Chen Hongming

Legal Representative or Authorized Representative:

Second Transferee (Party C): Yu Haifeng

By: /s/ Yu Haifeng

Target Company: Guangdong Fanhua Puyi Asset Management Co., Ltd.

/s/ Seal of Guangdong Fanhua Puyi Asset Management Co., Ltd

Chengdu City on December 28, 2016

Exhibit 10.7

Share Transfer Agreement

Transferor: Li Shaogang (hereinafter referred to as Party A)
ID card No.: 430402196207253016
Transferor: Dai Zijian (hereinafter referred to as Party B)
ID card No.: 350583198905241816

Transferee: Tibet Zhuli Investment Co. Ltd.
Unified Social Credit Code:91540091MA6T12JW8W
Transferee: Guangdong Fanhua Puyi Asset Management Co., Ltd.
Unified Social Credit Code:91440300069264493C

Shenzhen Baoying Commercial Factoring Co. Ltd. (hereinafter referred to as the Company Limited) was set up on December 18, 2015 in Shenzhen City; Party A holds 49% shares of the Company Limited and is willing to transfer 15% of its shares to Party C, and Party C is willing to accept the transfer of the target shares; among the 49% shares held by Party A, Party A is willing to transfer the remaining 34% shares to Party D, and Party D is willing to accept the transfer; Party B holds 51% shares of the Company Limited and is willing to transfer the 51% shares to Party D, and Party D is willing to accept the transfer; in connection with the above-mentioned shares transfer, the four Parties hereby enter into the following agreement through mutual discussion in accordance with the *Company Law of the People's Republic of China* and *Contract Law of People's Republic of China*:

I. Consideration and Term and Method of Payment:

1. Party A holds 49% shares of the Company Limited and shall contribute RMB 2.45 million Yuan according to what is agreed in the articles of association. Now, Party A transfers 15% of its shares in the Company Limited to Party C at RMB 1 yuan and the remaining 34% of its shares in the Company Limited to Party D at RMB 1 yuan. Party B holds 51% shares of the Company Limited and shall contribute RMB 2.55 million Yuan according to what is agreed in the articles of association. Now, Party B transfers the 51% of its shares in the Company Limited to Party D at RMB 1 yuan.

2. Party C and D shall pay the consideration to Party A and Party B in lump sum in cash within three months after the effective date of the Agreement as per the currency and amount specified in preceding paragraphs.

II. Party A and Party B guarantee that they possess the absolute right to dispose the equities to be transferred to Party C and Party D and that such equities have not been pledged, sealed up, or are subject to the recourse of a Third party; otherwise, Party A and Party B shall assume all economic and legal responsibilities arising therefrom.

III. Sharing of profits and losses (including credits and debts) of the Company Limited:

1. After the Agreement takes effect, Party C and Party D shares profits of the Company Limited as per the proportion of equities received and bear relevant risks and losses.

2. In case that Party C and Party D suffer any loss after becoming shareholders of the Company Limited due to debts borne by the Company Limited before the equity transfer that had not been truthfully disclosed to Party C and Party D by Party A and Party B at the time of signing the Agreement, Party C and Party D are entitled to seek compensation from Party A and Party B.

IV. Default liability

1. Once the Agreement enters into force, both parties shall perform it voluntarily; if any party fails to fully perform its obligations in accordance with regulations of the Agreement, it shall assume responsibilities in accordance with regulations of laws and the Agreement.

2. In case that Party C and Party D fail to go through change registration formalities on schedule or the realization of the purpose of signing the Agreement is seriously affected due to reasons of Party A and Party B, Party A and Party B shall pay liquidated damages to Party C and Party D at one out of ten thousand of the equity transfer money already paid by Party C and Party D. In case Party C and Party D suffer any loss due to the default of Party A and Party B and the amount of liquidated damage paid by Party A and Party B is lower than the actual loss, Party A and Party B shall make further compensation.

V. Change or termination of the Agreement:

After an agreement is reached through negotiation, Party A, Party B, Party C, and Party D can change or terminate the Agreement. In case the Agreement is changed or terminated after negotiation, the four parties shall sign a change or termination agreement separately.

VI. Assuming of related expenses:

Related expenses (such as notarization fee, assessment or audit fee, fees for industrial and commercial registration of changes, and so on) incurred during the equity transfer this time shall be assumed by both party.

VII. Dispute Resolutions:

Any dispute arising from or in connection with the Agreement shall be resolved by the four parties through amicable consultation; in case no agreement is reached, all parties agree to submit such dispute for arbitration at Shenzhen Arbitration Commission for arbitration.

VIII. Entry-into-force Condition:

The Agreement will be established and come into effect after being signed by the Transferors and Transferees (in case of foreign-invested enterprise, the Agreement shall be submitted to the approval authority for approval before entering into force). After the Agreement takes effect, registration change formalities shall be gone through with the Market Supervision Administration of Shenzhen Municipality ("Market Supervision Administration" for short).

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Transferors:

By: /s/ Li Shaogang
Name: Li Shaogang

By: /s/ Dai Zijian
Name: Dai Zijian

Transferees:

Tibet Zhuli Investment Co. Ltd.

/s/ Seal of Tibet Zhuli Investment Co., Ltd.

Guangdong Fanhua Puyi Asset Management Co., Ltd.

/s/ Seal of Guangdong Fanhua Puyi Asset Management Co., Ltd.

Shenzhen Baoying Commercial Factoring Co. Ltd.

On May 22, 2018 in Shenzhen City

Exhibit 10.8

Equity Transfer Agreement

The *Equity Transfer Agreement* (hereinafter referred to as the "Agreement") is entered into between the following parties in Guangzhou, Guangdong, the PRC, on June 5, 2018:

Party A: Renshou Xinrui Enterprise Management Center (Limited Partnership) (hereinafter referred to as the "Transferor")
Unified LC Code: 91511421MA62J7X45B

Party B: Yu Haifeng (hereinafter referred to as the "Transferee")
ID No.: 410103197407181353

Party C: Chengdu Puyi Bohui Information Technology Co., Ltd. (hereinafter referred to as the "Transferee")
Unified LC Code: 91510100594666757E

Target Company: Guangdong Fanhuapuyi Asset Management Co., Ltd.
Unified LC Code: 91440300069264493C

Whereas:
1. The target company (hereinafter referred to as the Company) was registered for establishment and obtained the business license with business registration number 91440300069264493C on May 22, 2013.

2. Registered capital of the Company was RMB 30 million and paid-up capital RMB 30 million, including Party A's subscription of RMB 29.7 million and paid-up capital of RMB 29.7 million, holding 99% equity; and Party B's subscription of RMB 0.3 million and paid-up capital of RMB 0.3 million, holding 1% equity.

3. The Parties hereto recognized net assets of the Company as RMB 26.06 million as of May 31, 2018.

4. Based on adjustment of the Company's business development strategy, Party A and Party B intends to transfer a total of 100% equity of the Company they hold to Party C; Party C intends to agree to the transfer of 100% equity in accordance with the terms and conditions in the Agreement.

The Agreement is entered into through friendly negotiation between the Parties hereto on the aforementioned equity transfer matter for mutual obedience and performance pursuant to the *Company Law of the People's Republic of China*, the *Contract Law of the People's Republic of China* and other laws, regulations and normative documents.

1. Target Equity

1.1 Based on the terms and conditions of the Agreement, Party A shall transfer 99% equity of the Company it hold to Party C (hereinafter referred to as the target equity) and Party C agrees the transfer of the target equity.

1.2 Based on the terms and conditions of the Agreement, Party B transfers 1% equity of the Company it hold to Party C (hereinafter referred to as the target equity) and Party C agrees the transfer of the target equity.

1.3 The target equity transferred by Party A and Party B to Party C includes the relevant shareholder's rights and interests pertaining to the equity, including but not limited to: shareholder's voting right, shareholder's profit and property distribution right, senior management appointment right, all rights enjoyed by Party A in various *Contracts*, *Articles of Association* and relevant documents, and other shareholder's rights and interests pertaining to the target equity.

1.4 Upon execution and effectiveness of the Agreement, the transferor's former rights entitled and obligations due shall be transferred to the Transferee.

2. Transfer Consideration

2.1 The transfer consideration is the amount of net assets of the target company as of May 31, 2018.

2.2 The price of target equity and its all shareholder's rights and interests transferred from Party A to Party C is RMB 25.7994 million (99% of net assets) (hereinafter referred to as the equity transfer price); the price of target equity and its all shareholder's rights and interests transferred from Party B to Party C is RMB 0.2606 million (1% of net assets) (hereinafter referred to as the equity transfer price).

2.3 The deadline of payment from Party C is within 30 working days after the date of execution of the target equity transfer agreement. RMB 25.7994 million shall be paid to Party A and RMB 0.2606 shall be paid to Party B.

2.4 Party C shall pay the equity transfer price respectively to the designated payee accounts of Party A and Party B in accordance with Article 2.2 above.

3. Tax of Transfer

3.1 Taxes incurred based on transfer of the target equity shall be assumed by the statutory tax paying obligator in accordance with relevant tax laws and regulations.

3.2 The business registration fee, equity transfer witness fee and other government expenses incurred based on transfer of the target equity shall be assumed by the Company.

4. Representation and Warranty of the Transferor

Party A and Party B made the following representation and warranty to Party C on the date of execution of the Agreement, the date of effectiveness of the Agreement and the completion date of equity transfer:

4.1 Party A and Party B are legal entities lawfully established and existing pursuant to the laws of the People's Republic of China (not including Hong Kong Special Administrative Region, Macao Administrative Region and Taiwan Region for the purpose of the Agreement and hereinafter referred to as China) with the capacity civil rights and conducts needed for executing and performing the Agreement. The Agreement entered into by the Parties hereto is the true meaning of Party A and Party B.

4.2 Party A and Party B have obtained the authorization and approval from the laws, regulations, rules, normative documents and the Articles of Association on execution of the Agreement and performance of obligations hereunder.

4.3 Party A and Party B will not violate the Articles of Association or other institutional documents, applicable laws, regulations and normative documents, any government approval or authorization as well as any contracts, agreements and other legal documents binding upon Party A and Party B for execution of the Agreement and performance of the obligations hereunder.

4.4 Party A and Party B have complete exclusive right of disposal of the target equity. The target equity do not have any rights pledge or any other warranty rights or any other preemptive rights or other limitations of third-party rights.

4.5 The Company has submitted Party C financial statements and all necessary documents and data as of June 20, 2018 (hereinafter referred to as the financial statements). Party A and Party B hereby recognize that the financial statements correctly reflect the financial standings and other conditions of the Company as of June 20, 2018.

4.6 The financial statements have specified all debts, arrears and outstanding taxes of the Company as of June 20, 2018. Except that, the Company does not have other debts, arrears and outstanding taxes other than regular operation since its registration of establishment;

4.7 The Company has not worked on or participated in any acts against the Chinese laws and regulations possible to make the Company suffer from revocation of business license, fine or other administrative penalties or legal sanctions seriously effecting its businesses for the present and in the future;

4.8 The Company has not concealed or made false/wrong representations on any lawsuits, arbitrations, investigations and administrative procedures that are related to it, closed, in progress or about to start.

5. Representation and Warranty of the Transferee

Party C made the following representation and warranty to the Transferor on the date of execution of the Agreement, the date of effectiveness of the Agreement and the completion date of equity transfer:

5.1 Party C is a real entity lawfully established and existing pursuant to the laws of Hong Kong Special Administrative Region of the People's Republic of China with the capacity civil rights and conducts needed for executing and performing the Agreement. The Agreement entered into by the Parties hereto is the true meaning of Party C.

5.2 Party C have obtained the authorization and approval from the laws, regulations, rules, normative documents and the Articles of Association on execution of the Agreement and performance of obligations hereunder.

5.3 Party C will not violate the Articles of Association or other institutional documents, applicable laws, regulations and normative documents, any government approval or authorization as well as any contracts, agreements and other legal documents binding upon Party C for execution of the Agreement and performance of the obligations hereunder.

5.4 The source of fund for payment of transfer consideration is lawful and Party C promises to perform the obligation of consideration payment truthfully on schedule.

6. Completion of Equity Transfer

6.1 The Parties hereunder shall apply for handling the approval and filing of transfer of the target equity at relevant competent department of the government within 30 days since execution of the Agreement.

6.2 The Parties hereto shall jointly apply for handling the registration procedure for transfer of the target equity at the business registration authority within 30 days since the date of decision of agreeing to approval and filing of transfer of equity transfer by relevant competent department of the government to transfer the registration of the target equity under Party C.

6.3 The Parties hereto shall positively cooperate and facilitate the Company to positively cooperate with handling the approval, filing and business registration procedures for transfer of the target equity, including but not limited to providing necessary documents, proofs and data for handling the procedures.

7. Liability for Default

7.1 Any party violating any provision of the Agreement or making untrue representations or warranties hereunder shall constitute default. The defaulting party shall be liable for default against the observant party. The liability for default includes but is not limited to continued performance, payment of liquidated damages, compensation for loss and rescission of the Agreement based on the specific situation of default.

7.2 Unless otherwise specified in relevant provisions of the Agreement, the defaulting Party shall compensate for the direct loss incurred to another party out of default, including but not limited to arbitration fee for pursuit of the loss by the observant party (including but not limited to case hearing fee and handling fee, etc.), legal fare (including but not limited to case hearing fee, cost of preservation and execution fee, etc.), evaluation fee, audit fee, attorney fee and travel expense, etc.

8. Governing Law and Dispute Resolution

8.1 Signing, interpretation and performance of the Agreement shall be applicable to the Chinese laws.

8.2 The Parties hereto shall first settle any dispute arising from or related to the Agreement through friendly negotiation. Should negotiation fail, the Parties hereto shall submit to Shenzhen Court of International Arbitration to be arbitrated in accordance with the then effective arbitration rules upon application for arbitration. The arbitration court shall be comprised of 3 members. The arbitral award shall be final and binding upon the Parties hereto. The court shall be opened in Shenzhen.

9. Other Provisions

9.1 The Agreement shall come into force upon being signed by the Parties hereto.

9.2 The Agreement is made in triplicate with each party holding one copy with equal legal force.

(The remainder of this page is intentionally left blank)

(The remainder of this page is intentionally left blank as the signing page of the *Equity Transfer Agreement*)

Party A: Renshou Xinrui Enterprise Management Center (Limited Partnership)

/s/ Seal of Renshou Xinrui Enterprise Management Center (Limited Partnership)

Party B: Yu Haifeng

By: /s/ Yu Haifeng

Party C: Chengdu Puyi Bohui Information Technology Co., Ltd.

/s/ Seal of Chengdu Puyi Bohui Information Technology Co., Ltd.

Target Company: Guangdong Fanhua Puyi Asset Management Co., Ltd.

/s/ Seal of Guangdong Fanhua Puyi Asset Management Co., Ltd.

Exhibit 10.9

Share Transfer Agreement

Transferor: Shao Yanhui (hereinafter referred to as Party A)
Address: No.105, Building 7, Yongxing Community I, West Shengli Street, Yakeshi City, Inner Mongolia
ID card No.: 152104197910100914

.

Transferor: Diao Yi (hereinafter referred to as Party B)
Address: No.105, Building 7, Yongxing Community I, West Shengli Street, Yakeshi City, Inner Mongolia
ID card No.: 152104198112050064

Transferee: Dai Zijian (hereinafter referred to as Party C)
Address: 18 Gaozhenwei, Gaogai Village, Matou Town, Nan'an City, Fujian Province
ID card No.: 350583198905241816

Transferee: Li Shaogang (hereinafter referred to as Party D)
Address: 54 Huangsha Avenue, Liwan District, Guangzhou City
ID card No.: 430402196207253016

Shenzhen Baoying Commercial Factoring Co. Ltd. (hereinafter referred to as the Company Limited) was set up on December 18, 2015 in Shenzhen City and is operated with funds attributed by Party A and Party B; the registered capital is RMB 5 million yuan, and Party A holds 99% of its shares. Party A is willing to transfer 51% of its shares in the Company Limited to Party C, and Party C is willing to accept the transfer of the target shares; in addition, Party A is willing to transfer the remaining 48% of its shares in the Company Limited to Party D, and Party D is willing to accept the transfer; Party B is willing to transfer the 1% shares of it in the Company Limited to Party D, and Party D is willing to accept the transfer. In connection with the above-mentioned shares transfer, the four Parties hereby enter into the following agreement through mutual discussion in accordance with the *Company Law of the People's Republic of China* and *Contract Law of People's Republic of China:*

I. Consideration and Term and Method of Payment:

1. Party A holds 99% shares of the Company Limited and shall contribute RMB 4.95 million Yuan according to what is agreed in the articles of association of the Company Limited, but Party A actually contributes RMB 0 yuan. Now, Party A transfers 51% of its shares in the Company Limited to Party C at RMB 1 yuan and the remaining 48% of its shares in the Company Limited to Party D at RMB 1 yuan. Party B holds 1% shares of the Company Limited and shall contribute RMB 50 thousand Yuan according to what is agreed in the articles of association of the Company Limited, but Party B actually contributes RMB 0 yuan. Now, Party B transfers the 1% of its shares in the Company Limited to Party D at RMB 1 yuan.

2. Party C and D shall pay the consideration to Party A and Party B in lump sum in cash (or through bank transfer) within 30 days after the effective date of the Agreement as per the currency and amount specified in preceding paragraphs.

II. Party A and Party B guarantee that they possess the absolute right to dispose the shares to be transferred to Party C and Party D and that such shares have not been pledged, sealed up, or are subject to the recourse of a fifth party; otherwise, Party A and Party B shall assume all economic and legal responsibilities arising therefrom.

III. Sharing of Profits and Losses (including credits and debts) of the Company Limited:

1. After the Agreement takes effect, Party C and Party D shares profits of the Company Limited as per the proportion of shares received and bear relevant risks and losses.

2. In case that Party C and Party D suffer any loss after becoming shareholders of the Company Limited due to debts borne by the Company Limited before the share transfer that had not been truthfully disclosed to Party C and Party D by Party A and Party B at the time of signing the Agreement, Party C and Party D are entitled to seek compensation from Party A and Party B.

IV. Liabilities for Breach

1. Once the Agreement enters into force, both parties shall perform it voluntarily; if any party fails to fully perform its obligations in accordance with regulations of the Agreement, it shall assume responsibilities in accordance with regulations of laws and the Agreement.

2. In case Party C and Party D fail to pay the consideration on schedule, for every delayed day, Party C and Party D shall pay liquidated damages to Party A and Party B at one out of ten thousand of the delayed consideration. In case Party A and Party B suffer any loss due to the default of Party C and Party D and the amount of liquidated damage paid by Party C and Party D is lower than the actual loss, Party C and Party D shall make further compensation.

3. In case that Party C and Party D fail to go through change registration formalities on schedule or the realization of the purpose of signing the Agreement is seriously affected due to reasons of Party A and Party B, Party A and Party B shall pay liquidated damages to Party C and Party D at one out of ten thousand of the consideration already paid by Party E. In case Party C and Party D suffer any loss due to the default of Party A and Party B and the amount of liquidated damage paid by Party A and Party B is lower than the actual loss, Party A and Party B shall make further compensation.

V. Change or Termination of the Agreement:

After an agreement is reached through negotiation, Party A, Party B, Party C, and Party D can change or terminate the Agreement. In case the Agreement is changed or terminated after negotiation, the four parties shall sign a change or termination agreement separately (in case of foreign-invested enterprise, the approval from the approval authority shall be obtained).

VI. Assuming of Related Expenses:

Related expenses (such as notarization fee, assessment or audit fee, fees for industrial and commercial registration of changes, and so on) incurred during the share transfer this time shall be assumed by Party A and Party B.

VII. Dispute Resolutions:

Any dispute arising from or in connection with the Agreement shall be resolved by the four parties through amicable consultation; in case no agreement is reached, the dispute shall be settled through the following methods (choose one and only one option, and mark √ in the box in front of the term as "þ"): □ applying to Shenzhen Arbitration Commission for arbitration; □submitting for arbitration at South China International Economic and Trade Arbitration Commission (also called "Shenzhen Court of International Arbitration") in Shenzhen; □ Filing a suit to a people's court with jurisdiction.

VIII. Entry-into-force condition:

The Agreement will take effect after being signed (sealed) by the four parties (in case of foreign-invested enterprise, the Agreement shall take effect after being approved by the approval authority). The four parties shall go through change registration formalities with industry and commerce administration authorities in accordance with laws after the Agreement takes effect.

IX. The Agreement is made in sextuplicate, with Party A, Party B, Party C, Party D, Party E, Party F, and the Company Limited holding a copy and the remaining submitted to relevant departments.

Signatures of Transferors:

By: /s/ Shao Yanhui
Name: Shao Yanhui

By: /s/ Diao Yi
Name: Diao Yi

Signatures of Transferees:

By: /s/ Dai Zijian
Name: Dai Zijian

By: /s/ Li Shaogang
Name: Li Shaogang

On March 20, 2017 in Shenzhen City

Exhibit 10.10

Equity Transfer Agreement

Party A: Shenzhen Chuangjia Investment Partnership (Limited Partnership)
Party B: Yang Yuanfen

Through amicable negotiation between the Parties hereto and upon the review and approval of the shareholders' meeting of the Company, Party A voluntarily transfers the its holding equity of Chengdu Puyi Bohui Information Technology Co., Ltd., valuing at RMB 576,000 (accounting for 0.96% of the company's registered capital) to Party B. Party A shall guarantee that the transferred equity is true, legal and valid without any mortgage or security. Party B voluntarily purchases the above-mentioned equity transferred by Party A and assumes corresponding responsibilities, rights and interests in accordance with the provisions of the *Company Law* and the Articles of Association.

The agreement is made in quadruplicate, with each party holding one, and the Company shall keep one copy in record and submit one copy to the registration authority. The agreement shall come into force upon the signing and seal of the Parties hereto.

Party A: Shenzhen Chuangjia Investment Partnership (Limited Partnership)

/s/ Seal of Shenzhen Chuangjia Investment Partnership (Limited Partnership)

Party B: Yang Yuanfen

By: /s/ Yang Yuanfen

Target Company: Chengdu Puyi Bohui Information Technology Co., Ltd.

/s/ Seal of Chengdu Puyi Bohui Information Technology Co., Ltd.

July 16, 2018

Exhibit 10.11

Equity Transfer Agreement

Party A: Shenzhen Chuangjia Investment Partnership (Limited Partnership)
Party B: Yu Haifeng

Through amicable negotiation between the Parties hereto and upon the review and approval of the shareholders' meeting of the Company, Party A voluntarily transfers the its holding equity of Chengdu Puyi Bohui Information Technology Co., Ltd., valuing at RMB 58,824,000 (accounting for 98.04% of the company's registered capital) to Party B. Party A shall guarantee that the transferred equity is true, legal and valid without any mortgage or security. Party B voluntarily purchases the above-mentioned equity transferred by Party A and assumes corresponding responsibilities, rights and interests in accordance with the provisions of the *Company Law* and the Articles of Association.

The agreement is made in quadruplicate, with each party holding one, and the Company shall keep one copy in record and submit one copy to the registration authority. The agreement shall come into force upon the signing and seal of the Parties hereto.

Party A: Shenzhen Chuangjia Investment Partnership (Limited Partnership)

/s/ Seal of Shenzhen Chuangjia Investment Partnership (Limited Partnership)

Party B: Yu Haifeng

By: /s/ Yu Haifeng

Target Company: Chengdu Puyi Bohui Information Technology Co., Ltd.

/s/ Seal of Chengdu Puyi Bohui Information Technology Co., Ltd.

July 16, 2018

Exhibit 10.12

Chengdu Puyi Bohui Information Technology Co., Ltd.

Party A: Shenzhen Yingjiasheng Investment Partnership (Limited Partnership)
Party B: Yu Haifeng

Through amicable negotiation between the Parties hereto and upon the review and approval of the shareholders' meeting of the Company, Party A voluntarily transfers the its holding equity of Chengdu Puyi Bohui Information Technology Co., Ltd., valuing at RMB 600,000 (accounting for 0.96% of the company's registered capital) to Party B. Party A shall guarantee that the transferred equity is true, legal and valid without any mortgage or security. Party B voluntarily purchases the above-mentioned equity transferred by Party A and assumes corresponding responsibilities, rights and interests in accordance with the provisions of the *Company Law* and the Articles of Association.

The agreement is made in quadruplicate, with each party holding one, and the Company shall keep one copy in record and submit one copy to the registration authority. The agreement shall come into force upon the signing and seal of the Parties hereto.

Party A: Shenzhen Yingjiasheng Investment Partnership (Limited Partnership)

/s/ Seal of Shenzhen Yingjiasheng Investment Partnership (Limited Partnership)

Party B: Yu Haifeng

By: /s/ Yu Haifeng

Target Company: Chengdu Puyi Bohui Information Technology Co., Ltd.

/s/ Seal of Chengdu Puyi Bohui Information Technology Co., Ltd.

March 14, 2016

Exhibit 10.13

Equity Transfer Agreement

The *Equity Transfer Agreement* (hereinafter referred to as the "Agreement") is entered into between the following parties in Shenzhen, Guangdong, the PRC, on July 3, 2018:

Transferor: Tang Jianping (hereinafter referred to as "Party A")
ID No.: 510103196410073459
Address: Room 303, Building 2, Qingwu Road, Science and Technology Park, Nanshan District, Shenzhen City, Guangdong Province, China

Transferee: Guangdong Fanhua Puyi Asset Management Co., Ltd. (hereinafter referred to as "Party B")
Unified LC Code: 91440300069264493C
Registered address: Unit 1901, Luohu Business Center, No. 2028 Shennan East Road, Dongmen Sub-district, Luohu District, Shenzhen City
Legal Representative: Long Yubo

Whereas:

1. Shenzhen Qianhai Zhonghui Huiguan Investment Management Co., Ltd. (hereinafter referred to as "joint venture") was registered for establishment and obtained the *Business License for Enterprise Legal Person* with the business registration number of 440301114885219 on January 13, 2016.

2. The registered capital of the joint venture was RMB 10 million. Party A subscribed for RMB 9.9 million and held 99% of the equity and the natural person Hu Jing subscribed for RMB 100,000 and held 1% of the equity.

3. After the establishment of the joint venture, the shareholders have paid RMB 5 million registered capital in total based on their holding ratio. The joint venture is required to pay the remaining RMB 5 million registered capital.

4. As of June 30, 2018, the internal audit indicated that the Parties hereto recognized the net assets of the joint venture were RMB 3199329.35 (In words: three million one hundred and ninety nine thousand three hundred twenty nine point thirty five).

5. During the implementation of the aforesaid *Joint Venture Contract*, Party A intends to transfer 51% equity of the joint venture it holds to Party B in accordance with the adjustment of its business development strategy. Party B intends to agree to receive 51% equity of the joint venture under the terms of the Agreement.

The Agreement is entered into through friendly negotiation between the Parties hereto on the aforementioned equity transfer matter for mutual obedience and performance pursuant to the *Company Law of the People's Republic of China*, the *Contract Law of the People's Republic of China* and other laws, regulations and normative documents.

1. Target Equity

1.1 Based on the terms and conditions of the Agreement, Party A shall transfer 51% equity of the joint venture it holds (corresponding to a capital contribution of RMB 5.1 million, hereinafter referred to as "target equity") to Party B, and Party B agrees the transfer of the target equity.

1.2 The target equity transferred by Party A to Party B includes the relevant shareholder's rights and interests pertaining to the equity, including but not limited to: shareholder voting right, shareholder's profit and property distribution right, senior management appointment right, all rights enjoyed by Party A in the relevant documents such as *Joint Venture Contract* and *Articles of Association*; other shareholder's rights and interests pertaining to the target equity.

2. Transfer Consideration

2.1 The target equity transferred by Party A to Party B and its subsidiary shareholders' rights shall be 51% of the net assets, which is RMB 1,631,657.97 (In word: one million six hundred thirty one thousand six hundred fifty seven point ninety seven)(hereinafter referred to as "equity transfer price"); Party B shall, in addition to paying the equity transfer price to Party A, assume the obligations to pay the remaining register capital of RMB 2.55 million (In word: two million and five hundred fifty thousand) within the scope of the transfer of equity.

2.2 The payment time of Party B: The joint venture shall pay Party A the equity transfer price within 10 days from the date of execution of the target equity transfer agreement;

2.3 Party B shall remit the equity transfer price to the following receivable account of Party A in accordance with the provisions of Article 2.2:

Account name: Tang Jianping
Account number: 6217007200034989726
Bank of deposit: China Construction Bank Corporation Shenzhen Branch

3. Tax of Transfer

3.1 Taxes incurred based on transfer of the target equity shall be assumed by the statutory tax paying obligator in accordance with relevant tax laws and regulations.

3.2 The business registration fee, equity transfer witness fee and other government expenses incurred based on transfer of the target equity shall be assumed by Party A.

4. Representation and Warranty of the Transferor

Party A and Party B made the following representation and warranty to Party B on the date of execution of the Agreement, the date of effectiveness of the Agreement and the completion date of equity transfer:

4.1 Party A is legal entities lawfully established and existing pursuant to the laws of the People's Republic of China with the capacity civil rights and conducts needed for executing and performing the Agreement. The Agreement entered into by the Parties hereto is the true meaning of Party A and Party B.

4.2 Party A have obtained the authorization and approval from the laws, regulations, rules, normative documents and the Articles of Association on execution of the Agreement and performance of obligations hereunder.

4.3 Party A will not violate the Articles of Association or other institutional documents, applicable laws, regulations and normative documents, any government approval or authorization as well as any contracts, agreements and other legal documents binding upon Party A for execution of the Agreement and performance of the obligations hereunder.

4.4 Party A have complete exclusive right of disposal of the target equity. The target equity do not have any rights pledge or any other warranty rights or any other preemptive rights or other limitations of third-party rights.

5. Representation and Warranty of Party B

Party B made the following representation and warranty to Party A on the date of execution of the Agreement, the date of effectiveness of the Agreement and the completion date of equity transfer:

5.1 Party B is a real entity lawfully established and existing pursuant to the laws of Hong Kong Special Administrative Region of the People's Republic of China with the capacity civil rights and conducts needed for executing and performing the Agreement. The Agreement entered into by the Parties hereto is the true meaning of Party B.

5.2 Party B have obtained the authorization and approval from the laws, regulations, rules, normative documents and the Articles of Association on execution of the Agreement and performance of obligations hereunder.

5.3 Party B will not violate the Articles of Association or other institutional documents, applicable laws, regulations and normative documents, any government approval or authorization as well as any contracts, agreements and other legal documents binding upon Party B for execution of the Agreement and performance of the obligations hereunder.

5.4 Party B shall fulfill its shareholder's capital contribution obligations in accordance with the Agreement and relevant provisions in the Articles of Association. Party B shall assume the obligation to pay the remaining registered capital of RMB 2.55 million.

6. Completion of Equity Transfer

6.1 Party A and Party B shall apply for handling the approval and filing of transfer of the target equity at relevant competent department of the government within 7 days since execution of the Agreement.

6.2 Party A and Party B shall jointly apply for handling the registration procedure for transfer of the target equity at the business registration authority within 7 days since the date of decision of agreeing to approval and filing of transfer of equity transfer by relevant competent department of the government to transfer the registration of the target equity under Party B.

6.3 The Parties hereto shall positively cooperate and facilitate the Company to positively cooperate with handling the approval, filing and business registration procedures for transfer of the target equity, including but not limited to providing necessary documents, proofs and data for handling the procedures.

7. Liability for Default

7.1 Any party violating any provision of the Agreement or making untrue representations or warranties hereunder shall constitute default. The defaulting party shall be liable for default against the observant party. The liability for default includes but is not limited to continued performance, payment of liquidated damages, compensation for loss and rescission of the Agreement based on the specific situation of default.

7.2 Unless otherwise specified in relevant provisions of the Agreement, the defaulting Party shall compensate for the direct loss incurred to another party out of default, including but not limited to arbitration fee for pursuit of the loss by the observant party (including but not limited to case hearing fee and handling fee, etc.), legal fare (including but not limited to case hearing fee, cost of preservation and execution fee, etc.), evaluation fee, audit fee, attorney fee and travel expense, etc.

8. Governing Law and Dispute Resolution

8.1 Signing, interpretation and performance of the Agreement shall be applicable to the Chinese laws.

8.2 The Parties hereto shall first settle any dispute arising from or related to the Agreement through friendly negotiation. Should negotiation fail, Party A and Party B agreed to submit to the Shenzhen Arbitration Commission for arbitration.

9. Other conventions

9.1 The Agreement shall come into force upon being signed by the Parties hereto. Upon the effectiveness of the Agreement, the parties shall go through the formalities in relevant authorities of government to change registration in accordance with the law.

9.2 The Agreement is made in six copies, with each party holding one copy, and the remaining four shall be used for the approval, filing, registration and other formalities for equity transfer. Each copy shall have the same legal effect.
(The remainder of this page is intentionally left blank)

Party A: Tang Jianping (Signature)

By: /s/ Tang Jianping

Party B: Guangdong Fanhua Puyi Asset Management Co., Ltd. (Limited Partnership)

By: /s/ Long Yubo
Name: Long Yubo
Legal Representative: Long Yubo

Exhibit 10.14

Employment Contract – EMPLOYEE

BETWEEN: , a company legally incorporated under the laws of People's Republic of China, having a mailing address at , acting and represented herein by , **Legal Representative**, declaring duly authorized, (hereinafter called the "COMPANY")

AND: , residing at (hereinafter called the "EMPLOYEE")

(COMPANY and EMPLOYEE hereinafter collectively called "Parties")

WHEREAS:
COMPANY requires the services of EMPLOYEE as ;

EMPLOYEE agreed to provide COMPANY his full-time services as ; ;

the Parties wish to confirm their agreement in writing;

the Parties have the capacity and quality of exercise all the rights necessary for the conclusion and implementation of the agreement found in this Contract;

THEREFORE THE FOREGOING, THE PARTIES AGREE AS FOLLOWS:

1. Employment

EMPLOYEE agrees to assume full-time for COMPANY (minimum of forty (40) hours per week) the role of during the entire duration of the Contract;

2. Term

This Contract is for a term of 36 months, namely from to , and it is terminated upon expiration of the term unless the Parties enter into a new employment contract prior to its expiration.

3. Responsibilities

EMPLOYEE agrees and undertakes to COMPANY to the following: The services must be made full time in a professional manner, according to the rules generally accepted by industry.

3.1 Shall be subject to regulatory oversight of the Board, in representation of the COMPANY and take overall responsibility for the operational management and financial management of the COMPANY, to ensure the safety of operation, effective management and the preservation and appreciation of assets.

3.2 Shall be strictly compliance with laws, regulations and financial and accounting system, drafting plans on the establishment of the COMPANY's internal management departments and basic management system of the COMPANY.

3.3 Unless agreed by the Board, shall not make change to the legal representative, company name, business scope of the company.

3.4 Unless agreed by the Board, shall not dispose the property of the COMPANY, including but not limited to transfer, selling off, mortgaging, pledge, leasing or giving out.

3.5 If the COMPANY needs to ask for a loan, consent of the Board shall be made.

3.6 Shall not provide external guarantee in the name of the COMPANY.

3.7 Shall regularly submit factual financial reports to the Board.

3.8 Deciding on the hiring or dismissing of the persons-in-charge other than those who shall be decided by the Board.

3.9 Performing other responsibility granted by the articles of association or the Board.

4. CONSIDERATION

4.1 Service Awards
In consideration of the provision of services, COMPANY to pay EMPLOYEE, as compensation;

The gross amount of RMB annually calculated at the rate of twelve (12) equal monthly installments consecutively of RMB each.

4.2 Expenditure incurred
COMPANY will reimburse EMPLOYEE all reasonable expenses incurred in connection with this Contract, upon presentation of appropriate documentation. The date of reimburse EMPLOYEE shall be the day of each month.

4.3 Bonus
Executive will be eligible to receive an annual bonus based on annual profit of COMPANY, according to the resolution of board of directors. The board of directors shall have the sole discretion to determine whether Executive is entitled to any such bonus and to determine the amount of any such bonus.

5. Commitment to confidentiality and nondisclosure

EMPLOYEE recognizes that certain disclosures to be provided by COMPANY have or may have considerable strategic importance, and therefore represent trade secrets for purposes of this Contract. During the term of this Contract and for a period of 36 months following the end of it, EMPLOYEE is committed to COMPANY to:

5.1 keep confidential and not disclose the information;

5.2 take and implement all appropriate measures to protect the confidentiality of the information;

5.3 not disclose, transmit, exploit or otherwise use for its own account or for others, elements of information;

6. **NON-COMPETITION AND NON-SOLICITATION**

6.1 Non-Competition. In consideration of the compensation provided to the EMPLOYEE by the COMPANY hereunder, the adequacy of which is hereby acknowledged by the parties hereto, the EMPLOYEE agrees that during the term of this Contract and for a period of one year following the termination of the this Contract for whatever reason, the EMPLOYEE shall not engage in Competition (as defined below) with the Group. For purposes of this Contract, "Competition" by the EMPLOYEE shall mean the EMPLOYEE's engaging in, or otherwise directly or indirectly being employed by or acting as a consultant or lender to, or being a director, officer, employee, principal, agent, stockholder, member, owner or partner of, or permitting the EMPLOYEE's name to be used in connection with the activities of, any other business or organization which competes, directly or indirectly, with the Group in the business of the Group; provided, however, it shall not be a violation for the EMPLOYEE to become the registered or beneficial owner of up to five percent (5%) of any class of the capital stock of a publicly traded corporation in Competition with the Group, provided that the EMPLOYEE does not otherwise participate in the business of such corporation.

6.2 Non-Solicitation; Non-Interference. During the term of this Contract and for a period of one year following the termination of this Contract for any reason, the EMPLOYEE agrees that he/she will not, directly or indirectly, for the EMPLOYEE's benefit or for the benefit of any other person or entity, do any of the following:

6.2.1 approach the suppliers, clients, seed clients, direct or end customers or contacts or other persons or entities introduced to the EMPLOYEE in his/her capacity as a representative of the Group for the purpose of doing business of the same or of a similar nature to the business of the Group or doing business that will harm the business relationships of the Group with the foregoing persons or entities;

6.2.2 assume employment with or provide services to any competitors of the Group, or engage, whether as principal, partner, licensor or otherwise, any of the Group's competitors, without the Group's express consent; or

6.2.3 seek, directly or indirectly, to solicit the services of, or hire or engage, any person who is known to be employed or engaged by the Group; or

6.2.4 otherwise interfere with the business or accounts of the Group.

6.3 Injunctive Relief; Indemnity of Company. The EMPLOYEE agrees that any breach or threatened breach of sub-clauses 6.1 and 6.2 of this clause 6 would result in irreparable injury and damage to the Company for which an award of money to the Company would not be an adequate remedy. The EMPLOYEE therefore also agrees that in the event of said breach or any reasonable threat of breach, the Company shall be entitled to seek an immediate injunction and restraining order to prevent such breach and/or threatened breach and/or continued breach by the EMPLOYEE and/or any and all persons and/or entities acting for and/or with the EMPLOYEE. The terms of this paragraph shall not prevent the Company from pursuing any other available remedies for any breach or threatened breach hereof, including, but not limited to, remedies available under this Contract and the recovery of damages. The EMPLOYEE and the Company further agree that the provisions of this clause 6 are reasonable. The EMPLOYEE agrees to indemnify and hold harmless the Company from and against all reasonable expenses (including reasonable fees and disbursements of counsel) which may be incurred by the Company in connection with, or arising out of, any violation of this Contract by the EMPLOYEE.

6.4 During the term of this Contract and for a period of 24 months following the end of it, EMPLOYEE is committed to COMPANY not render services to or for direct or indirect competitors of COMPANY.

6.5 This clause 6 shall survive the termination of the Contract for any reason.

7. Exclusivity of service provider

During the term of this Contract and for a period of 24 months following the end of it, EMPLOYEE is committed to COMPANY not render services to or for direct or indirect competitors of COMPANY.

8. Termination of Contract

Either party may terminate this Contract at any time, upon presentation of a sixty (60) days notice given to the other party.

9. GENERAL PROVISIONS

Unless specific provision to the contrary in this Contract, the following provisions apply.

9.1 Force Majeure
Neither party can be considered in default under this Contract if the performance of its obligations in whole or in part is delayed or prevented by following a force majeure situation. Force majeure is an external event, unforeseeable, irresistible and it absolutely impossible to fulfill an obligation.

9.2 Severability
The possible illegality or invalidity of an article, a paragraph or provision (or part of an article, a paragraph or provision) does not in any way affect the legality of other items, paragraphs or provisions of this Contract, nor the rest of this article, this paragraph or provision unless a contrary intention is evident in the text.

9.3 Notices
Any notice to a party is deemed to have been validly given if in writing and sent by registered or certified mail, by bailiff or by courier to such party at the address listed at the beginning of this Contract or any other address that the party may indicate a similar notice to another party. A copy of any notice sent by mail must be sent by one mode of delivery mentioned above.

9.4 No Waiver
The inertia, neglect or delay by any party to exercise any right or remedy under this Contract shall in no way be construed as a waiver of such right or remedy.

9.5 Contract Amendment
This Contract may be amended only by a writing signed by both Parties.

10. Applicable Laws and Election of domicile
This Contract is subject to the laws of the People's Republic of China. The Parties agree to elect domicile in the judicial district of Chengdu City, Sichuan Province, China, and chose it as the appropriate district to hear any claim arising from the interpretation, application, and performance, the entry into force, validity and effect of this Contract.

11. Currencies

All sums of money under this Contract refer to Chinese currency.

12. Effectiveness and Copies

This Contract will come into force upon signature and seal by both Parities. This Contract is made in duplicate and both are of equally binding force. The COMPANY and the EMPLOYEE each holds one copy.

IN THE CITY OF Chengdu, Sichuan PROVINCE.

COMPANY
(Seal)

(Signature)

EMPLOYEE

(Signature)

Date: _____

Exhibit 10.15

INDEMNIFICATION AGREEMENT

This Indemnification Agreement (the "Agreement") is entered into as of by and between Puyi Inc., a Cayman Islands company (the "Company") and the undersigned, , Independent Director of the Company (the "Indemnitee").

RECITALS

1. The Company recognizes that highly competent persons are becoming more reluctant to serve corporations as directors or in other capacities unless they are provided with adequate protection through insurance or adequate indemnification against risks of claims and actions against them arising out of their services to the corporation.

2. The Board of Directors of the Company (the "Board") has determined that the inability to attract and retain highly competent persons to serve the Company is detrimental to the best interests of the Company and its shareholders and that it is reasonable and necessary for the Company to provide adequate protection to such persons against risks of claims and actions against them arising out of their services to the Company.

3. The Indemnitee does not regard the indemnities available under the Company's current memorandum and articles of association (the "Articles of Association") as adequate to protect him against the risks associated with his service to the Company.

4. The Company is willing to indemnify the Indemnitee to the fullest extent permitted by applicable law, and the Indemnitee is willing to serve and continue to serve the Company on the condition that he be so indemnified.

AGREEMENT

In consideration of the premises and the covenants contained herein, the Company and the Indemnitee do hereby covenant and agree as follows:

A. DEFINITIONS

The following terms shall have the meanings defined below:

Expenses shall include damages, judgments, fines, penalties, settlements and costs, expert and attorneys' fees and disbursements and costs of attachment or similar bond, investigations, and any expenses paid or incurred in connection with investigating, defending, being a witness in, participating in or preparing for any of the foregoing in, any Proceeding (as hereinafter defined).

Indemnifiable Event means any event or occurrence that takes place either before or after the execution of this Agreement, related to the fact that the Indemnitee is or was a director of the Company or an officer of the Company or any of its subsidiaries, or is or was serving at the request of the Company as a director or officer of another corporation, partnership, joint venture or other entity, or related to anything done or not done by the Indemnitee in any such capacity.

Participant means a person who is a party to, or witness or participant in, a Proceeding.

Proceeding means any threatened, pending or completed action, suit or proceeding, or any inquiry, hearing or investigation, whether civil, criminal, administrative, investigative or other, including any appeal of any of the foregoing, in which the Indemnitee may be or may have been involved as a party or otherwise by reason of an Indemnifiable Event, including, without limitation, any threatened, pending or completed action, suit or proceeding by or in the right of the Company.

B. AGREEMENT TO INDEMNIFY

1. General Agreement. In the event the Indemnitee was, is or becomes a Participant in, or is threatened to be made a Participant in, a Proceeding, the Company shall indemnify and hold harmless the Indemnitee from and against any and all Expenses which the Indemnitee incurs or becomes obligated to incur in connection with such Proceeding, to the fullest extent permitted by applicable law.

2. Indemnification of Expenses of Successful Party. Notwithstanding any other provision of this Agreement to the contrary, to the extent that the Indemnitee has been successful on the merits in defense of any Proceeding or in defense of any claim, issue or matter in such Proceeding, the Indemnitee shall be indemnified against all Expenses incurred in connection with such Proceeding or such claim, issue or matter, as the case may be, offset by the amount of cash, if any, received by the Indemnitee resulting from his/her success therein.

3. Partial Indemnification. If the Indemnitee is entitled under any provision of this Agreement to indemnification by the Company for a portion of the Expenses, but not for the total amount of the Expenses, the Company shall indemnify the Indemnitee for the portion of such Expenses to which the Indemnitee is entitled.

4. Exclusions. Notwithstanding anything in this Agreement to the contrary, the Indemnitee shall not be entitled to indemnification under this Agreement:

(a) to the extent that payment is actually made to the Indemnitee under a valid, enforceable and collectible insurance policy;

(b) in connection with a judicial action by or in the right of the Company, in respect of any claim, issue or matter as to which the Indemnitee shall have been adjudicated by final judgment in a court of law to be liable for intentional misconduct in the performance of his duty to the Company unless and only to the extent that any court in which such action was brought shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, the Indemnitee is fairly and reasonably entitled to indemnity for such Expenses as such court shall deem proper;

(c) in connection with any Proceeding initiated by the Indemnitee against the Company, any director or officer of the Company or any other party, and not by way of defense, unless (i) the Company has joined in or the Reviewing Party (as hereinafter defined) has consented to the initiation of such Proceeding; or (ii) the Proceeding is one to enforce indemnification rights under this Agreement or any applicable law;

(d) for a disgorgement of profits made from the purchase and sale by the Indemnitee of securities pursuant to Section 16(b) of the Securities Exchange Act of 1934, as amended, or similar provisions of any applicable U.S. state statutory law or common law;

(e) brought about by the dishonesty or fraud of the Indemnitee seeking payment hereunder; provided, however, that the Indemnitee shall be protected under this Agreement as to any claims upon which suit may be brought against him by reason of any alleged dishonesty on his part, unless a judgment or other final adjudication thereof adverse to the Indemnitee establishes that he committed (i) acts of active and deliberate dishonesty, (ii) with actual dishonest purpose and intent, and (iii) which acts were material to the cause of action so adjudicated;

(f) for any judgment, fine or penalty which the Company is prohibited by applicable law from paying as indemnity;

(g) arising out of the Indemnitee's personal tax matter; or

(h) arising out of the Indemnitee's breach of an employment agreement with the Company (if any) or any other agreement with the Company or any of its subsidiaries.

5. No Employment Rights. Nothing in this Agreement is intended to create in the Indemnitee any right to continued employment with the Company.

6. Contribution. If the indemnification provided in this Agreement is unavailable and may not be paid to the Indemnitee for any reason other than those set forth in Section B.4 above, then the Company shall contribute to the amount of the Expenses paid in settlement actually and reasonably incurred and paid or payable by the Indemnitee in such proportion as is appropriate to reflect (i) the relative benefits received by the Company on the one hand and by the Indemnitee on the other hand from the transaction from which such Proceeding arose, and (ii) the relative fault of the Company on the one hand and of the Indemnitee on the other hand in connection with the events which resulted in such Expenses, as well as any other relevant equitable considerations. The relative fault of the Company on the one hand and of the Indemnitee on the other hand shall be determined by reference to, among other things, the parties' relative intent, knowledge, access to information and opportunity to correct or prevent the circumstances resulting in such Expenses, judgments, fines or settlement amounts. The Company agrees that it would not be just and equitable if contribution pursuant to this Section B.6 were determined by pro rata allocation or any other method of allocation which does not take account of the foregoing equitable considerations.

C. INDEMNIFICATION PROCESS

1. Notice and Cooperation By the Indemnitee. The Indemnitee shall give the Company notice in writing as soon as practicable of any Proceeding that the Indemnitee has knowledge of for which indemnification will or could be sought under this Agreement. The failure by the Indemnitee to notify the Company of any Proceeding will not relieve the Company from any liability hereunder unless, and only to the extent that, the Company did not otherwise learn of the Proceeding and such failure by the Indemnitee results in forfeiture by the Company of substantial defenses, rights or insurance coverage. Notice to the Company shall be given in accordance with Section F.7 below. In addition, the Indemnitee shall give the Company such information and cooperation as the Company may reasonably request.

2. Indemnification Payment.

(a) *Advancement of Expenses*. The Indemnitee may submit a written request with reasonable particulars to the Company requesting that the Company advance to the Indemnitee all Expenses that may be reasonably incurred in advance by the Indemnitee in connection with a Proceeding. The Company shall, within ten (10) business days of receiving such a written request by the Indemnitee, advance all requested Expenses to the Indemnitee. Any excess of the advanced Expenses over the actual Expenses will be repaid to the Company.

(b) *Reimbursement of Expenses*. To the extent the Indemnitee has not requested any advanced payment of the Expenses from the Company, the Indemnitee shall be entitled to receive reimbursement for the Expenses incurred in connection with a Proceeding from the Company as soon as practicable after the Indemnitee makes a written request to the Company for reimbursement.

(c) *Determination by the Reviewing Party*. Notwithstanding anything foregoing to the contrary, in the event the Reviewing Party (as hereinafter defined) informs the Company that the Indemnitee is not entitled to indemnification in connection with a Proceeding under this Agreement or applicable law, the Company shall be entitled to be reimbursed by the Indemnitee for all the Expenses previously advanced or otherwise paid to the Indemnitee in connection with such Proceeding; provided, however, that the Indemnitee may bring a suit to enforce his indemnification right in accordance with Section C.3 below.

3. Suit to Enforce Rights. Regardless of any action by the Reviewing Party, if the Indemnitee has not received full indemnification within 30 days after making a written demand in accordance with Section C.2 above, the Indemnitee shall have the right to enforce his indemnification rights under this Agreement by commencing litigation in any court of competent jurisdiction seeking a determination by the court or challenging any determination by the Reviewing Party or any breach in any aspect of this Agreement. Any determination by the Reviewing Party not challenged by the Indemnitee and any judgment entered by the court shall be binding on the Company and the Indemnitee.

4. Assumption of Defense. In the event the Company is obligated under this Agreement to advance or bear any Expenses for any Proceeding against the Indemnitee, the Company shall be entitled to assume the defense of such Proceeding, with counsel approved by the Indemnitee, upon delivery to the Indemnitee of written notice of its election to do so. After delivery of such notice, approval of such counsel by the Indemnitee and the retention of such counsel by the Company, the Company will not be liable to the Indemnitee under this Agreement for any fees of counsel subsequently incurred by the Indemnitee with respect to the same Proceeding, unless(i) the employment of counsel by the Indemnitee has been previously authorized by the Company, (ii) the Indemnitee shall have reasonably concluded, based on written advice of counsel, that there may be a conflict of interest of such counsel retained by the Company between the Company and the Indemnitee in the conduct of any such defense, or (iii) the Company ceases or terminates the employment of such counsel with respect to the defense of such Proceeding, in any of which events the fees and expenses of the Indemnitee’s counsel shall be at the expense of the Company. At all times, the Indemnitee shall have the right to employ counsel in any Proceeding at the Indemnitee’s expense.

5. Defense to Indemnification, Burden of Proof and Presumptions. It shall be a defense to any action brought by the Indemnitee against the Company to enforce this Agreement that it is not permissible under this Agreement or applicable law for the Company to indemnify the Indemnitee for the amount claimed. In connection with any such action or any determination by the Reviewing Party or otherwise as to whether the Indemnitee is entitled to be indemnified under this Agreement, there will be a presumption that the Indemnitee is so entitled, which presumption the Company may overcome only by adducing clear and convincing evidence to the contrary. Neither (i) the failure of the Reviewing Party or the Company to have made a determination prior to the commencement of such action by the Indemnitee that indemnification is proper under the circumstances because the Indemnitee has met the standard of conduct set forth in applicable law nor (ii) an actual determination by the Reviewing Party or the Company that the Indemnitee had not met such applicable standard of conduct shall be a defense to the action or create a presumption that the Indemnitee has not met the applicable standard of conduct.

6. No Settlement Without Consent. Neither party to this Agreement shall settle any Proceeding in any manner that would impose any damage, loss, penalty or limitation on the Indemnitee without the other party's written consent. Neither the Company nor the Indemnitee shall unreasonably withhold its consent to any proposed settlement.

7. Company Participation. The Company shall not be liable to indemnify the Indemnitee under this Agreement with regard to any judicial action if the Company was not given a reasonable and timely opportunity, at its expense, to participate in the defense, conduct and/or settlement of such action.

8. Reviewing Party.

(a) For purposes of this Agreement, a determination by the Reviewing Party with respect to each indemnification request of the Indemnitee shall be (A) a majority vote of Disinterested Directors (as hereinafter defined) of the Board provided that a quorum of the Board consisting of Disinterested Directors is obtained, or (B) if a quorum of the Board consisting of Disinterested Directors is not obtainable or, even if obtainable, said Disinterested Directors so direct, a written opinion of Independent Counsel (as hereinafter defined) to the Board, a copy of which shall be delivered to the Indemnitee; and, if it is determined that the Indemnitee is entitled to indemnification, payment to the Indemnitee shall be made within ten (10) days after such determination. The Indemnitee shall cooperate with the person, persons or entity making such determination with respect to the Indemnitee's entitlement to indemnification, including providing to such person, persons or entity upon reasonable advance request any documentation or information which is not privileged or otherwise protected from disclosure and which is reasonably available to the Indemnitee and reasonably necessary to such determination. Any Independent Counsel or member of the Board shall act reasonably and in good faith in making a determination under this Agreement of the Indemnitee's entitlement to indemnification. Any reasonable costs or expenses (including reasonable attorneys' fees and disbursements) incurred by the Indemnitee in so cooperating with the person, persons or entity making such determination shall be borne by the Company (irrespective of the determination as to the Indemnitee's entitlement to indemnification) and the Company hereby indemnifies and agrees to hold the Indemnitee harmless therefrom to the extent as aforesaid. "Disinterested Director" means a director of the Company who is not and was not a party to the Proceeding in respect of which indemnification is sought by the Indemnitee.

(b) If the determination of entitlement to indemnification is to be made by Independent Counsel, the Independent Counsel shall be selected as provided in this Section C.8(b). The Independent Counsel shall be selected by the Indemnitee (unless the Indemnitee shall request that such selection be made by the Board, in which event the Board by a majority vote of a quorum consisting of Disinterested Directors shall select), and the Indemnitee shall give written notice to the Company advising it of the identity of the Independent Counsel so selected. In either event, the Indemnitee or the Company, as the case may be, may, within 10 days after such written notice of selection shall have been given, deliver to the Company or to the Indemnitee, as the case may be, a written objection to such selection; *provided*, *however*, that such objection may be asserted only on the ground that the Independent Counsel so selected does not meet the requirements of "Independent Counsel" as defined in Section C.8(d) of this Agreement, and the objection shall set forth with particularity the factual basis of such assertion. Absent a proper and timely objection, the person so selected shall act as Independent Counsel. If a written objection is made and substantiated, the Independent Counsel selected may not serve as Independent Counsel unless and until such objection is withdrawn or a court has determined that such objection is without merit. If the determination of entitlement to indemnification is to be made by Independent Counsel, but within 20 days after submission by the Indemnitee of a written request for indemnification, no Independent Counsel shall have been selected and not objected to, then the Board by a majority vote shall select the Independent Counsel. The Company shall pay any and all reasonable fees and expenses of the Independent Counsel incurred by such Independent Counsel in connection with acting under this Agreement, and the Company shall pay all reasonable fees and expenses incident to the procedures of this Section C.8(b), regardless of the manner in which such Independent Counsel was selected or appointed.

(c) In making a determination with respect to entitlement to indemnification hereunder, the Reviewing Party shall presume that the Indemnitee is entitled to indemnification under this Agreement if the Indemnitee has submitted a request for indemnification in accordance with this Agreement, and the Company shall have the burden of proof to overcome that presumption in connection with the making by any person, persons or entity of any determination contrary to that presumption. The termination of any Proceeding or of any claim, issue or matter therein, by judgment, order, settlement (with or without court approval), conviction, or upon a plea of *nolo contendere* or its equivalent, shall not (except as otherwise expressly provided in this Agreement) of itself adversely affect the right of the Indemnitee to indemnification or create a presumption that the Indemnitee did not act in good faith and in a manner which he reasonably believed to be in or not opposed to the best interests of the Company or, with respect to any criminal Proceeding, that the Indemnitee had reasonable cause to believe that his conduct was unlawful. For purposes of any determination of good faith, the Indemnitee shall be deemed to have acted in good faith if the Indemnitee's action is based on the records or books of account of the Company and any other corporation, partnership, joint venture or other entity of which the Indemnitee is or was serving at the written request of the Company as a director, officer, employee, agent or fiduciary, including financial statements, or on information supplied to the Indemnitee by the officers and directors of the Company or such other corporation, partnership, joint venture or other entity in the course of their duties, or on the advice of legal counsel for the Company or such other corporation, partnership, joint venture or other entity or on information or records given or reports made to the Company or such other corporation, partnership, joint venture or other entity by an independent certified public accountant or by an appraiser or other expert selected with reasonable care by the Company or such other corporation, partnership, joint venture or other entity. In addition, the knowledge and/or actions, or failure to act, of any director, officer, agent or employee of the Company or such other corporation, partnership, joint venture or other entity shall not be imputed to the Indemnitee for purposes of determining the right to indemnification under this Agreement. The provisions of this Section C.8(c) shall not be deemed to be exclusive or to limit in any way the other circumstances in which the Indemnitee may be deemed to have met the applicable standard of conduct set forth in this Agreement.

(d) "Independent Counsel" means a law firm, or a member of a law firm, that is experienced in matters of corporation law and neither presently is, nor in the past five (5) years has been, retained to represent (i) the Company or the Indemnitee in any matter material to either such party (other than with respect to matters concerning the Indemnitee under this Agreement, or of other indemnitees under similar indemnification agreements), or (ii) any other party to the Proceeding giving rise to a claim for indemnification hereunder. Notwithstanding the foregoing, the term "Independent Counsel" shall not include any person who, under the applicable standards of professional conduct then prevailing, would have a conflict of interest in representing either the Company or the Indemnitee in an action to determine the Indemnitee's rights under this Agreement. The Company agrees to pay the reasonable fees of the Independent Counsel referred to above.

D. DIRECTOR AND OFFICER LIABILITY INSURANCE

1. Company Obligation. The Company shall obtain and maintain a policy or policies of insurance with reputable insurance companies providing the officers and directors of the Company with coverage for losses incurred in connection with their services to the Company or to ensure the Company's performance of its indemnification obligations under this Agreement.

2. Coverage of the Indemnitee. The Indemnitee shall be covered by the insurance policy or policies provided for in Section D.1, in accordance with its or their terms, to the maximum extent of the coverage available for any of the Company's directors or officers.

E. NON-EXCLUSIVITY; FEDERAL PREEMPTION; TERM

1. Non-Exclusivity. The indemnification provided by this Agreement shall not be deemed exclusive of any rights to which the Indemnitee may be entitled under the Articles of Association, applicable law or any written agreement between the Indemnitee and the Company (including its subsidiaries and affiliates). The indemnification provided under this Agreement shall continue to be available to the Indemnitee for any action taken or not taken while serving in an indemnified capacity even though he may have ceased to serve in any such capacity at the time of any Proceeding.

2. Federal Preemption. Notwithstanding the foregoing, both the Company and the Indemnitee acknowledge that in certain instances, U.S. federal law or public policy may override applicable law and prohibit the Company from indemnifying its directors and officers under this Agreement or otherwise. The Indemnitee acknowledges that the U.S. Securities and Exchange Commission (the "SEC") believes that indemnification for liabilities arising under the federal securities laws is against public policy and is, therefore, unenforceable and that the Company has undertaken or may be required in the future to undertake with the SEC to submit the question of indemnification to a court in certain circumstances for a determination of the Company's right under public policy to indemnify the Indemnitee.

3. Duration of Agreement. All agreements and obligations of the Company contained herein shall continue during the period the Indemnitee is an officer and/or a director of the Company (or is or was serving at the request of the Company as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise) and shall continue thereafter so long as the Indemnitee shall be subject to any Proceeding by reason of his former or current capacity at the Company or any other enterprise at the Company's request, whether or not he is acting or serving in any such capacity at the time any Expense is incurred for which indemnification can be provided under this Agreement. This Agreement shall continue in effect regardless of whether the Indemnitee continues to serve as an officer and/or a director of the Company or any other enterprise at the Company's request.

F. MISCELLANEOUS

1. Amendment of this Agreement. No supplement, modification, or amendment of this Agreement shall be binding unless executed in writing by the parties hereto. No waiver of any of the provisions of this Agreement shall operate as a waiver of any other provisions (whether or not similar), nor shall such waiver constitute a continuing waiver. Except as specifically provided in this Agreement, no failure to exercise or any delay in exercising any right or remedy shall constitute a waiver.

2. Subrogation. In the event of payment to the Indemnitee by the Company under this Agreement, the Company shall be subrogated to the extent of such payment to all of the rights of recovery of the Indemnitee, who shall execute all papers required and shall do everything that may be necessary to secure such rights, including the execution of such documents necessary to enable the Company to bring suit to enforce such rights.

3. Assignment; Binding Effect. Neither this Agreement nor any of the rights or obligations hereunder may be assigned by either party hereto without the prior written consent of the other party; except that the Company may, without such consent, assign all such rights and obligations to a successor in interest to the Company which assumes all obligations of the Company under this Agreement. Notwithstanding the foregoing, this Agreement shall be binding upon and inure to the benefit of and be enforceable by and against the parties hereto and the Company's successors (including any direct or indirect successor by purchase, merger, consolidation, or otherwise to all or substantially all of the business and/or assets of the Company) and assigns, as well as the Indemnitee's spouses, heirs, and personal and legal representatives.

4. Severability and Construction. Nothing in this Agreement is intended to require or shall be construed as requiring the Company to do or fail to do any act in violation of applicable law. The Company's inability, pursuant to a court order, to perform its obligations under this Agreement shall not constitute a breach of this Agreement. In addition, if any portion of this Agreement shall be held by a court of competent jurisdiction to be invalid, void, or otherwise unenforceable, the remaining provisions shall remain enforceable to the fullest extent permitted by applicable law. The parties hereto acknowledge that they each have opportunities to have their respective counsel review this Agreement. Accordingly, this Agreement shall be deemed to be the product of both of the parties hereto, and no ambiguity shall be construed in favor of or against either of the parties hereto.

5. Counterparts. This Agreement may be executed in two counterparts, both of which taken together shall constitute one instrument.

6. Governing Law. This agreement and all acts and transactions pursuant hereto and the rights and obligations of the parties hereto shall be governed, construed and interpreted in accordance with the laws of the State of New York, U.S.A.

7. Notices. All notices, demands, and other communications required or permitted under this Agreement shall be made in writing and shall be deemed to have been duly given if delivered by hand, against receipt, or mailed, postage prepaid, certified or registered mail, return receipt requested, and addressed to the Company at:

Puyi Inc.
42/F,Zhujiangcheng Building
No.15 Zhujiang Xi Road
Guangzhou,Guangdong
People's Republic of China

and to the Indemnitee at:

8. Entire Agreement. This Agreement constitutes the entire agreement and supersedes all prior agreements and understandings, both written and oral, between the parties with respect to the subject matter hereof.

(Signature page follows)

IN WITNESS WHEREOF, the parties hereto execute this Agreement as of the date first written above.

COMPANY

Puyi Inc.

Name: Yu Haifeng
Title: Chairman and Chief Executive Officer

INDEMNITEE

Name:
Title: Independent director

Exhibit 10.16

Exclusive Technical and Consulting Services Agreement

This Exclusive Technology Services and Management Consulting Agreement ("this Agreement") is made and entered into by and between the following Parties on September 6, 2018 in Guangzhou, the People's Republic of China ("China" or "PRC"):

Party A: Puyi Enterprises Management Consulting Co., Ltd.
Address: Rm 2611 (Self-Numbered No. 8), 26/F, Southwest Jiaotong University Innovation Building, 111 North 1st Section, 2nd Ring Road, Jinniu District, Chengdu, Sichuan Province

Party B: Chengdu Puyi Bohui Information Technology Co., Ltd.
Address: 1/F Bldg. 10, No. 16, 4th Section, South of 2nd Ring Road, Xiaojiahe, High-Tech Zone, Chengdu, P.R.C.

Each of Party A and Party B shall be hereinafter referred to as a "Party" respectively, and as the "Parties" collectively.

Whereas,

1. Party A is a wholly foreign owned enterprise established in China, of which business scope includes enterprises management consulting; commercial information consulting; business and trade consulting; business planning and public relations services; technology development and technology consulting of computer software and hardware; property management; import and export of goods and technology; sales: electronics and digital products, and computer hardware and software (The above referenced scope of business does not include items restricted or prohibited by PRC laws and regulations, excluding items subject to the implementation of special administrative measures for access as prescribed by the state; for items subject to administrative approval of licensing, relevant approval or permit shall be obtained prior to operation);

2. Party A has the necessary permits and resources to provide technology services and management consulting as set forth hereunder;

3. Party B is a domestic limited liability company established in China, and is entitled to engage in businesses of services of computer system integration, data process, application software; sales of computer software and providing technical services; design of websites; and market information consultation ("Principal Business");

4. Party A agrees to provide Party B (including its subsidiaries) with exclusive technical, consulting and other services in relation to the Principal Business during the term of this Agreement utilizing its own advantages in human resources, technology and information, and Party B (including its subsidiaries) agrees to accept such services provided by Party A or Party A's designee(s), each on the terms set forth herein.

Now, therefore, through mutual discussion, the Parties have reached the following agreements:

1 Services Provided

1.1 Party B hereby appoints Party A as Party B's exclusive services provider to provide Party B with complete business support and technical and consulting services during the term of this Agreement, in accordance with the terms and conditions of this Agreement and to the extent permitted by the currently effective laws of China, which may include all services within the business scope of Party B as may be determined from time to time by Party A, such as but not limited to enterprise management consulting, business consulting, technology consulting and development, and sale or leasing of equipment or property (together, "Technical and Consulting Services").

1.2 Party B agrees to accept all the Technical and Consulting Services provided by Party A. Party B further agrees that, except with prior written consent of Party A or Party's Parent Company, during the term of this Agreement, Party B shall not accept any similar Technical and Consulting Services provided by any third party and shall not establish similar business relationship with any third party regarding the matters contemplated by this Agreement. Party A may, from time to time, adjust the scope of the services provided, and, Party B shall accept such adjustments unconditionally. Party B may, based on its operational needs, accept services and/or supports provided by any third party, or establish business relationship with any third party, presumed such services and/or supports, or business relationships will not be provided by Party A. Party A may appoint other parties, who may enter into certain agreements described in Section 1.3 with Party B, to provide Party B with the Technical and Consulting Services under this Agreement.

1.3 Party A and Party B agree that during the term of this Agreement, Party B may enter into agreements with Party A or any other party designated by Party A further specifying the Technical and Consulting Services provided, which shall provide the specific contents, manner, personnel, and fees.

1.4 To further fulfill the rights and obligations under this Agreement, Party A and Party B agree that during the term of this Agreement, Party B may enter into equipment or property sale agreements or leases with Party A or any other party designated by Party A which shall permit Party B to use, or transfer, Party A's relevant equipment or property based on the needs of the business of Party B.

1.5 To further fulfill the rights and obligations under this Agreement and to maintain the long-term business relationship of the Parties, Party A and Party B agreed that if there is any action by either Party may affect, in any way, this Agreement or the rights and obligations under this Agreement, such action shall only be taken with prior approval of the Board of Directors of Party's offshore parent company, Puyi Inc. ("Party A's Parent Company"). Further, such action shall be also resolved by the Board of Directors of Party A and Party B in line with the resolution of the Board of Directors of Party A's Parent Company.

2 Service Fees and Payment

2.1 Both Parties agree that, during the terms of this Agreement, in consideration of the Technical and Consulting Services provided by Party A, Party B shall pay to Party A the fees (the "Service Fees") equal to 100% of the net income of Party B, which is Party B's earnings before corporate income tax, being the monthly revenues after deduction of operating costs, expenses and other taxes; provided that upon mutual discussion between the Parties and the prior consent by Party A or Party A's Parent Company, the rate of Service Fees may be adjusted based on the services rendered by Party A in that month and the operation needs of Party B.

2.2 The Service Fees shall be due and payable on a monthly basis; within 30 days after the end of each month, Party B shall (a) deliver to Party A the management accounts and operating statistics of Party B for such month, including the net income of Party B during such month (the "Monthly Net Income"), and (b) pay 100% of such Monthly Net Income, or other amount agreed by Party A, to Party A (each such payment, a "Monthly Payment"). If such earnings after deduction of operating costs, expenses and other legal taxes are zero or negative, Party B is not required to pay the Service Fees; if Party B sustains losses, all such losses will be carried over to the following month(s) and deducted from the following month(s)' Service Fees. Within ninety (90) days after the end of each fiscal year, Party B shall (a) deliver to Party A audited financial statements of Party B for such fiscal year, which shall be audited and certified by an independent certified public accountant approved by Party A, and (b) pay an amount to Party A equal to the shortfall, if any, of the net income of Party B for such fiscal year, as shown in such audited financial statements, as compared to the aggregate amount of the Monthly Payments paid by Party B to Party A in such fiscal year.

2.3 Party A agrees that, during the term of this Agreement, Party A shall bear all risk arising from or in connection with Party B's Principle Business, including providing financial support to Party B in the event that Party B is having operating losses, paying off its debts if Party B has no sufficient funds to repay, and funding the deficit if Party B's net assets are lower than its registered capital. In the event that Party B encounters severe difficulties in operation, Party A shall have the right to request Party B to cease operation and Party B shall comply with Party A's request unconditionally.

2.4 The obligation of Party B to pay to Party A the Service Fees under this Agreement shall be secured by the equity pledge provided by the shareholders of Party B over the equity interests held by them. Party A shall enter into Equity Pledge Agreement (Attachment 1) with Party B and shareholders of Party B.

3 Intellectual Property Rights and Confidentiality Clauses

3.1 Party A shall have exclusive and proprietary rights and interests in all rights, ownership, interests and intellectual properties arising out of or created during the performance of this Agreement, including but not limited to copyrights, patents, patent applications, software, technical secrets, trade secrets and others.

3.2 The Parties acknowledge that the existence and the terms of this Agreement and any oral or written information exchanged between the Parties in connection with the preparation and performance this Agreement are regarded as confidential information. Each Party shall maintain confidentiality of all such confidential information, and without obtaining the written consent of the other Party, it shall not disclose any relevant confidential information to any third parties, except for the information that: (a) is or will be in the public domain (other than through the receiving Party's unauthorized disclosure); (b) is under the obligation to be disclosed pursuant to the applicable laws or regulations, rules of any stock exchange, or orders of the court or other government authorities; or (c) is required to be disclosed by any Party to its shareholders, investors, legal counsels or financial advisors regarding the transaction contemplated hereunder, provided that such shareholders, investors, legal counsels or financial advisors shall be bound by the confidentiality obligations similar to those set forth in this Section. Disclosure of any confidential information by the staff members or agencies hired by any Party shall be deemed disclosure of such confidential information by such Party, which Party shall be held liable for breach of this Agreement. This Section shall survive the termination of this Agreement for any reason.

3.3 The Parties agree that this Section shall survive changes to, and rescission or termination of, this Agreement.

4. Representations and Warranties

4.1 Party A hereby represents and warrants as follows:

4.1.1 Party A is a wholly foreign owned enterprise legally registered and validly existing in accordance with the laws of China.

4.1.2 Party A’s execution and performance of this Agreement is within its corporate capacity and the scope of its business operations; Party A has taken necessary corporate actions and given appropriate authorization and has obtained the consent and approval from third parties and government agencies, and will not violate any restrictions in law or otherwise binding or having an impact on Party A.

4.1.3 This Agreement constitutes Party A's legal, valid and binding obligations, enforceable in accordance with its terms.

4.2 Party B hereby represents and warrants as follows:

4.2.1 Party B is a domestic limited liability company legally registered and validly existing in accordance with the laws of China.

4.2.2 Party B's execution and performance of this Agreement is within its corporate capacity and the scope of its business operations; Party B has taken necessary corporate actions and given appropriate authorization and has obtained the consent and approval from third parties and government agencies, and will not violate any restrictions in law or otherwise binding or having an impact on Party B.

4.2.3 This Agreement constitutes Party B’s legal, valid and binding obligations, and shall be enforceable against it.

5 Effectiveness and Term

This Agreement is executed on the date first above written and shall take effect as of such date. Unless earlier terminated in accordance with the provisions of this Agreement or relevant agreements separately executed between the Parties, the term of this Agreement shall be permanent. After the execution of this Agreement, both Parties are entitled to review this Agreement every six (6) months to determine whether to amend or supplement the provisions in this Agreement based on the actual circumstances at that time.

6 Termination

6.1 During the term of this Agreement, the Parties may not terminate this Agreement unless otherwise required by laws or regulations, or by relevant governmental or regulatory authorities. Nevertheless, this Agreement shall be terminated after all the equity interest in Party B held by its shareholders and/or all the assets of Party B have been legally transferred to Party A and/or its designee in accordance with the Exclusive Option Agreement (Attachment 2) executed by Party A, Party B and its shareholders; provided, the transfer of the equity interest in Party B and/or the assets of Party B shall be approved by the Board of Directors of Party A’s Parent Company.

6.2 The rights and obligations of the Parties under Articles 3, 7 and 8 shall survive the termination of this Agreement.

7 Governing Law and Resolution of Disputes

7.1 The execution, effectiveness, construction, performance, amendment and termination of this Agreement and the resolution of disputes hereunder shall be governed by the laws of China.

7.2 In the event of any dispute with respect to the construction and performance of the provisions of this Agreement, the Parties shall negotiate in good faith to resolve the dispute. In the event the Parties fail to reach an agreement on the resolution of such a dispute within 30 days after any Party's request for resolution of the dispute through negotiations, any Party may submit the relevant dispute to the China Nansha International Arbitration Centre for arbitration, in accordance with its then-effective arbitration rules. The arbitration shall be conducted in Guangzhou, China, and the language used during arbitration shall be Chinese. The arbitration ruling shall be final and binding on both Parties.

7.3 Upon the occurrence of any disputes arising from the construction and performance of this Agreement or during the pending arbitration of any dispute, except for the matters under dispute, the Parties to this Agreement shall continue to exercise their respective rights under this Agreement and perform their respective obligations under this Agreement.

8 Indemnification

Party B shall indemnify and hold harmless Party A from any losses, injuries, obligations or expenses caused by any lawsuit, claims or other demands against Party A arising from or caused by the consultations and services provided by Party A to Party B pursuant this Agreement, except where such losses, injuries, obligations or expenses arise from the gross negligence or willful misconduct of Party A.

9 Notices

9.1 All notices and other communications required or permitted to be given pursuant to this Agreement shall be delivered personally or sent by registered mail, postage prepaid, by a commercial courier service or by facsimile transmission to the address of such Party set forth below. A confirmation copy of each notice shall also be sent by email. The dates on which notices shall be deemed to have been effectively given shall be determined as follows:

9.1.1 Notices given by personal delivery, by courier service or by registered mail, postage prepaid, shall be deemed effectively given on the date of delivery or refusal at the address specified for notices.

9.1.2 Notices given by facsimile transmission shall be deemed effectively given on the date of successful transmission (as evidenced by an automatically generated confirmation of transmission).

9.2 For the purpose of notices, the addresses of the Parties are as follows:

Party A: **Puyi Enterprises Management Consulting Co., Ltd.**
Address: Rm 2611 (Self-Numbered No. 8), 26/F, Southwest Jiaotong University Innovation Building, 111 North 1st Section, 2nd Ring Road, Jinniu District, Chengdu, Sichuan Province
Representative: Haifeng Yu
Phone: 028-86616229

Party B: **Chengdu Puyi Bohui Information Technology Co., Ltd.**
Address:1/F Bldg. 10, No. 16, 4th Section, South of 2nd Ring Road, Xiaojiahe, High-Tech Zone, Chengdu, P.R.C.
Representative: Haifeng Yu
Phone: 028-86616229

9.3 Any Party may at any time change its address for notices by a notice delivered to the other Party in accordance with the terms hereof.

10 Assignment

10.1 Without prior written consent of Party A or Party A's Parent Company, Party B shall not assign its rights and obligations under this Agreement to any third party.

10.2 Party B agrees that Party A may assign its obligations and rights under this Agreement to any third party upon a prior written notice to Party B but without the consent of Party B.

11 Severability

In the event that one or several of the provisions of this Agreement are found to be invalid, illegal or unenforceable in any aspect in accordance with any laws or regulations, the validity, legality or enforceability of the remaining provisions of this Agreement shall not be affected or compromised in any aspect. The Parties shall strive in good faith to replace such invalid, illegal or unenforceable provisions with effective provisions that accomplish to the greatest extent permitted by law and the intentions of the Parties, and the economic effect of such effective provisions shall be as close as possible to the economic effect of those invalid, illegal or unenforceable provisions.

12 Amendments and Supplements

Any amendments and supplements to this Agreement shall be in writing. The amendment agreements and supplementary agreements that have been signed by the Parties and that relate to this Agreement shall be an integral part of this Agreement and shall have the same legal validity as this Agreement.

13 Language and Counterparts

This Agreement is written in both Chinese and English language in two copies, each Party having one copy with equal legal validity; in case there is any conflict between the Chinese version and the English version, the Chinese version shall prevail.

[THIS SPACE IS INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the Parties have executed, or caused their respectively duly authorized representatives to execute, this Exclusive Technical and Consulting Services Agreement as of the date first above written.

Party A: Puyi Enterprises Management Consulting Co., Ltd. (Seal)

By: /s/ Haifeng Yu

Legal Representative: Haifeng Yu

Party B : Chengdu Puyi Bohui Information Technology Co., Ltd. (Seal)

By: /s/ Haifeng Yu

Legal Representative : Haifeng Yu

Attachments

1. The Equity Pledge Agreement entered into among Puyi Enterprises Management Consulting Co., Ltd., Haifeng Yu, Yuanfeng Yang, and Chengdu Puyi Bohui Information Technology Co., Ltd. on September 6, 2018

2. The Exclusive Option Agreement entered into among Puyi Enterprises Management Consulting Co., Ltd., Haifeng Yu, Yuanfeng Yang, and Chengdu Puyi Bohui Information Technology Co., Ltd. on September 6, 2018

Exhibit 10.17

Equity Pledge Agreement

This Equity Pledge Agreement ("this Agreement") is executed by and among the Parties below as of September 6, 2018, in Guangzhou, the People's Republic of China ("China" or "PRC"):

Party A: Puyi Enterprises Management Consulting Co., Ltd.("Pledgee")
Address: Rm 2611 (Self-Numbered No. 8), 26/F, Southwest Jiaotong University Innovation Building, 111 North 1st Section, 2nd Ring Road, Jinniu District, Chengdu, Sichuan Province;

Party B: Haifeng Yu, ID No.: 410103197407181353, shareholder of Party D, holding 99.04% equity interests in Party D.

Party C: Yuanfen Yang, ID No.: 510107197408210928, shareholder of Party D, holding 0.96% equity interests in Party D.

(Party B and Party C, together, as "Pledgors," or individually, as a "Pledgor")

AND

Party D: Chengdu Puyi Bohui Information Technology Co., Ltd. ("Target Company")
Address: 1/F Bldg. 10, No. 16, 4th Section, South of 2nd Ring Road, Xiaojiahe, High-Tech Zone, Chengdu, P.R.C.;

In this Agreement, each of Pledgee, Pledgors and Target Company shall be referred to as a "Party" respectively, and they shall be collectively referred to as the "Parties".

Whereas:

1. Pledgee is a wholly foreign owned enterprise registered in China. Pledgee and Target Company executed an Exclusive Technical and Consulting Services Agreement (Attachment 1);

2. Pledgors are citizens of China, and together, hold 100% of the equity interest in Target Company. The equity interest of each Pledgor in Target Company is specified as follows:

Haifeng Yu	99.04%
Yuanfen Yang	0.96%

3. Target Company is a limited liability company registered in Chengdu, China, engaging in businesses of services of computer system integration, data process, application software; sales of computer software and providing technical services; design of websites; and market information consultation. Target Company acknowledges the respective rights and obligations of Pledgors and Pledgee under this Agreement, and intends to provide any necessary assistance in registering the Pledge with the competent governmental authorities;

4. To ensure that Target Company fully performs its obligations under the Exclusive Technical and Consulting Services Agreement and pay the service fees thereunder to Pledgee when the same becomes due, Pledgors hereby pledge to the Pledgee all of the equity interest they now and in the future hold in Target Company (whether the percentage of the equity interest is changed or not in the future) as security for payment of the service fees by Target Company under the Exclusive Technical and Consulting Services Agreement.

To perform the provisions of the Exclusive Technical and Consulting Services Agreement, the Parties have mutually agreed to execute this Agreement upon the following terms.

1. Definitions

Unless otherwise provided herein, the terms below shall have the following meanings:

1.1 **Pledge** shall refer to the equity interest granted by Pledgors to Pledgee pursuant to Article 2 of this Agreement, i.e., the right of Pledgee to be compensated on a preferential basis with the conversion, auction or sales price of the Equity Interest.

1.2 **Equity Interest** shall refer to all of the equity interest lawfully now held and hereafter acquired by Pledgors in Target Company (whether the percentage of the equity interest of each Pledgor is changed or not in the future).

1.3 **Term of Pledge** shall refer to the term set forth in Section 3.2 of this Agreement.

1.4 The **Services Agreement** shall refer to the Exclusive Technical and Consulting Services Agreement executed by and between Target Company and Pledgee on September 6, 2018.

1.5 **Event of Default** shall refer to any of the circumstances set forth in Article 7 of this Agreement.

1.6 **Notice of Default** shall refer to the notice issued by Pledgee in accordance with this Agreement declaring an Event of Default.

2. The Pledge

As collateral security for the timely and complete payment and performance when due (whether at stated maturity, by acceleration or otherwise) of any or all of the payments due by Target Company, including and without limitation, the services fees payable to the Pledgee under the Services Agreement, Pledgors hereby pledge to Pledgee a first security interest in all of Pledgors' right, title and interest, whether now owned or hereafter acquired by Pledgors, in the Equity Interest of Target Company.

3. Term of Pledge

3.1 The Pledge shall become effective on such date when the pledge of the Equity Interest contemplated herein has been registered' with relevant administration for industry and commerce (the "AIC"). The Pledge shall be continuously valid until all payments due under the Services Agreement have been fulfilled by Target Company. Pledgors and Target Company shall (1) register the Pledge in the shareholders' register of Target Company within 3 business days following the execution of this Agreement, and (2) submit an application to the AIC for the registration of the Pledge of the Equity Interest contemplated herein within ten (10) business days following the execution of this Agreement. The Parties covenant that for the purpose of registration of the Pledge (including re-registration of the Pledge when the percentage of equity interest a Pledgor holds in Target Company changes), the Parties hereto shall submit to the AIC the equity interest pledge contract as in the form required by the AIC at the location of Target Company which shall truly reflect the information of the Pledge hereunder (the "AIC Pledge Contract"). For matters not specified in the AIC Pledge Contract, the Parties shall be bound by the provisions of this Agreement. Pledgors and Target Company shall submit all necessary documents and complete all necessary procedures, as required by the PRC laws and regulations and the relevant AIC, to ensure that the Pledge of the Equity Interest shall be registered with the AIC as soon as possible after filing.

3.2 During the Term of Pledge, in the event Target Company fails to pay the exclusive service fees in accordance with the Services Agreement, Pledgee shall have the right, but not the obligation, to dispose of the Pledge in accordance with the provisions of this Agreement.

4. Custody of Records for Equity Interest subject to Pledge

4.1 During the Term of Pledge set forth in this Agreement, Pledgors shall deliver to Pledgee's custody the original capital contribution certificate for the Equity Interest and the original shareholders' register containing the Pledge within five (5) working days from the execution of this Agreement or from completion of the re-registration of shareholding when percentage of equity interest changed (in that case, Pledgors shall deliver to Pledgee's custody the updated original capital contribution certificate for the Equity Interest and the updated original shareholders' register containing the Pledge). Pledgee shall have custody of such original documents during the entire Term of Pledge set forth in this Agreement.

4.2 Pledgee shall have the right to collect dividends generated by the Equity Interest during the Term of Pledge.

5. Representations and Warranties of Pledgors

5.1 Pledgors are the sole legal and beneficial owners of the Equity Interest.

5.2 Pledgors have the right to dispose of and transfer the Equity Interest in accordance with the provisions set forth in this Agreement.

5.3 Upon execution, this Agreement constitutes the Pledgors' legal, valid and binding obligations in accordance with the provisions herein.

5.4 Except for the Pledge, Pledgors have not placed any security interest or other encumbrance on the Equity Interest.

5.5 There is no pending disputation or litigation proceeding related to the Equity Interest.

6. Covenants and Further Agreements of Pledgors

6.1 Pledgors hereby covenant to the Pledgee, that during the term of this Agreement, Pledgors shall:

6.1.1 not transfer the Equity Interest, place or permit the existence of any security interest or other encumbrance on the Equity Interest, or disposal of the Equity Interest in any other means, without the prior written consent of Pledgee, except for the performance of the Exclusive Option Agreement executed by Pledgors, the Pledgee and Target Company on the execution date of this Agreement;

6.1.2 comply with the provisions of all laws and regulations applicable to the pledge of rights, and within five (5) working days of receipt of any notice, order or recommendation issued or prepared by relevant competent authorities regarding the Pledge, shall present the aforementioned notice, order or recommendation to Pledgee, and shall comply with the aforementioned notice, order or recommendation or submit objections and representations with respect to the aforementioned matters upon Pledgee's reasonable request or upon consent of Pledgee;

6.1.3 promptly notify Pledgee of any event or notice received by Pledgors that may have an impact on Pledgee's rights to the Equity Interest or any portion thereof, as well as any event or notice received by Pledgors that may have an impact on any guarantees and other obligations of Pledgors arising out of this Agreement;

6.2 Pledgors agree that the rights acquired by Pledgee in accordance with this Agreement with respect to the Pledge shall not be interrupted or harmed by Pledgors or any heirs or representatives of Pledgors or any other persons through any legal proceedings.

6.3 To protect or perfect the security interest granted by this Agreement for payment of the service fees under the Services Agreement, Pledgors hereby undertake to execute in good faith and to cause others who have an interest in the Pledge to execute all certificates, agreements, deeds and/or covenants required by Pledgee. Pledgors also undertake to perform and to cause others who have an interest in the Pledge to perform actions required by Pledgee, to facilitate the exercise by Pledgee of its rights and authority granted thereto by this Agreement, and to enter into all relevant documents regarding ownership of Equity Interest with Pledgee or designee(s) of Pledgee (natural persons/legal persons). Pledgors undertake to provide Pledgee within a reasonable time with all notices, orders and decisions regarding the Pledge that are required by Pledgee.

6.4 Pledgors hereby undertake to comply with and perform all guarantees, promises, agreements, representations and conditions under this Agreement. In the event of failure or partial performance of its guarantees, promises, agreements, representations and conditions, Pledgors shall indemnify Pledgee for all losses resulting therefrom.

7. Event of Breach

7.1 The following circumstances shall be deemed Event of Default:

7.1.1 Target Company fails to fully and timely fulfill any liabilities under the Services Agreement, including without limitation failure to pay in full any of the service fees payable under the Services Agreement or breaches any other obligations of Target Company thereunder;

7.1.2 Pledgors or Target Company have committed a material breach of any provisions of this Agreement;

7.1.3 Pledgors and Target Company fail to register the Pledge in the shareholders' register of Target Company, or fail to complete the Registration of Pledge stipulated in Section 3.1;

7.1.4 Except as expressly stipulated in Section 6.1.1, Pledgors transfer or purport to transfer or abandons the Equity Interest pledged, or assign the Equity Interest pledged without the written consent of Pledgee; and

7.1.5 The successor or custodian of Target Company is capable of only partially perform or refuses to perform the payment obligations under the Services Agreement.

7.2 Upon notice or discovery of the occurrence of any circumstances or event that may lead to the aforementioned circumstances described in Section 7.1, Pledgors shall immediately notify Pledgee in writing accordingly.

7.3 Unless an Event of Default set forth in this Section 7.1 has been successfully resolved to Pledgee's satisfaction within twenty (20) working days after the Pledgee delivers a notice to Pledgors requesting ratification of such Event of Default, Pledgee may issue a Notice of Default to Pledgors in writing at any time thereafter, demanding Pledgors to immediately dispose of the Pledge in accordance with the provisions of Article 8 of this Agreement.

8. Exercise of Pledge

8.1 Prior to the full payment of the service fees described in the Services Agreement, without the written consent of Pledgee or Pledgee's offshore parent company Puyi Inc. ("Pledgee's Parent Company"), Pledgors shall not transfer the Pledge or the Equity Interest in Target Company, unless such transfer arises from the rights and obligations under the Exclusive Option Agreement (Attachment 2) entered into by Pledgors, Pledgee, and Target Company.

8.2 Pledgee may issue a Notice of Default to Pledgors when exercising the Pledge.

8.3 Subject to the provisions of Section 7.3, Pledgee may exercise the right to enforce the Pledge at the time when, or at any time after, the issuance of the Notice of Default in accordance with Section 8.2. Once Pledgee elects to enforce the Pledge, Pledgors shall cease to be entitled to any rights or interests associated with the Equity Interest.

8.4 In the event of default, Pledgee is entitled to dispose of the Equity Interest pledged in accordance with applicable PRC laws. Only to the extent permitted under applicable PRC laws, Pledgee has no obligation to account to Pledgors for proceeds of disposition of the Equity Interest, and Pledgors hereby waive any rights it may have to demand any such accounting from Pledgee; Likewise, in such circumstance Pledgors shall have no obligation to Pledgee for any deficiency remaining after such disposition of the Equity Interest pledged.

8.5 When Pledgee disposes of the Pledge in accordance with this Agreement, Pledgors and Target Company shall provide necessary assistance to enable Pledgee to enforce the Pledge in accordance with this Agreement.

9. Assignment

9.1 Without Pledgee's prior written consent, Pledgors shall not have the right to assign or delegate their rights and obligations under this Agreement.

9.2 This Agreement shall be binding on Pledgors and their successors and permitted assigns, and shall be valid with respect to Pledgee and each of its successors and assigns.

9.3 At any time, Pledgee may assign any and all of its rights and obligations under the Services Agreement to its designee(s) (natural/legal persons), in which case the assigns shall have the rights and obligations of Pledgee under this Agreement, as if it were the original party to this Agreement. When the Pledgee assigns the rights and obligations under the Services Agreement, upon Pledgee's request, Pledgors shall execute relevant agreements or other documents relating to such assignment.

9.4 In the event of a change in Pledgee due to an assignment, Pledgors shall, at the request of Pledgee, execute a new pledge agreement with the new pledgee on the same terms and conditions as this Agreement, and register for change of the same with the competent AIC.

9.5 Pledgors shall strictly abide by the provisions of this Agreement and other agreements jointly or separately executed by the Parties hereto or any of them, including the Exclusive Option Agreement (Attachment 2) and the Power of Attorney of each Pledgor (Attachment 3 and Attachment 4) granted to Pledgee, perform the obligations hereunder and thereunder, and refrain from any action/omission that may affect the effectiveness and enforceability thereof. Any remaining rights of Pledgors with respect to the Equity Interest pledged hereunder shall not be exercised by Pledgors except in accordance with the written instructions of Pledgee.

9.6 If there is any action by either Party may affect, in any way, the performance of this Agreement or the rights and obligations under this Agreement, such action shall only be taken with prior approval of the Board of Directors of Pledgee's Parent Company. Upon the resolution of the Board of Directors of Pledgee's Parent Company, such action shall be also approved by the Board of Directors of Pledgee and Target Company in line with the resolution of the Board of Directors of Pledgee's Company.

10. Termination

Upon the full payment of the service fees under the Services Agreement and upon termination of Target Company's obligations under the Services Agreement, or upon the transfer of equity interests under the Exclusive Option Agreement (Attachment 2), this Agreement shall be terminated automatically and Pledgee shall then cancel or terminate the equity interest pledge pursuant to this Agreement as soon as reasonably practicable.

11. Handling Fees and Other Expenses

All fees and out of pocket expenses relating to this Agreement, including but not limited to legal costs, costs of production, stamp tax and any other taxes and fees, shall be borne by Target Company.

12. Confidentiality

The Parties acknowledge that the existence and the terms of this Agreement and any oral or written information exchanged between the Parties in connection with the preparation and performance this Agreement are regarded as confidential information. Each Party shall maintain confidentiality of all such confidential information, and without obtaining the written consent of the other Party, it shall not disclose any relevant confidential information to any third parties, except for the information that: (a) is or will be in the public domain (other than through the receiving Party's unauthorized disclosure); (b) is under the obligation to be disclosed pursuant to the applicable laws or regulations, rules of any stock exchange, or orders of the court or other government authorities; or (c) is required to be disclosed by any Party to its shareholders, investors, legal counsels or financial advisors regarding the transaction contemplated hereunder, provided that such shareholders, investors, legal counsels or financial advisors shall be bound by the confidentiality obligations similar to those set forth in this Section. Disclosure of any confidential information by the staff members or agencies hired by any Party shall be deemed disclosure of such confidential information by such Party, which Party shall be held liable for breach of this Agreement. This Section shall survive the termination of this Agreement for any reason.

13. Governing Law and Resolution of Disputes

13.1 The execution, effectiveness, construction, performance, amendment and termination of this Agreement and the resolution of disputes hereunder shall be governed by the laws of China.

13.2 In the event of any dispute with respect to the construction and performance of this Agreement, the Parties shall first resolve the dispute through friendly negotiations. In the event the Parties fail to reach an agreement on the dispute within 30 days after either Party's request to the other Parties for resolution of the dispute through negotiations, either Party may submit the relevant dispute to the China Nansha International Arbitration Centre for arbitration, in accordance with its Arbitration Rules. The arbitration shall be conducted in Guangzhou, China, and the language used in arbitration shall be Chinese. The arbitration award shall be final and binding on all Parties.

13.3 Upon the occurrence of any disputes arising from the construction and performance of this Agreement or during the pending arbitration of any dispute, except for the matters under dispute, the Parties to this Agreement shall continue to exercise their respective rights under this Agreement and perform their respective obligations under this Agreement.

14. Notices

14.1 All notices and other communications required or permitted to be given pursuant to this Agreement shall be delivered personally or sent by registered mail, postage prepaid, by a commercial courier service or by facsimile transmission to the address of such party set forth below. A confirmation copy of each notice shall also be sent by E-mail. The dates on which notices shall be deemed to have been effectively given shall be determined as follows:

14.2 Notices given by personal delivery, by courier service or by registered mail, postage prepaid, shall be deemed effectively given on the date of delivery or refusal at the address specified for notices.

14.3 Notices given by facsimile transmission shall be deemed effectively given on the date of successful transmission (as evidenced by an automatically generated confirmation of transmission).

14.4 For the purpose of notices, the addresses of the Parties are as follows:

Pledgee: Puyi Enterprises Management Consulting Co., Ltd.
Address: Rm 2611 (Self-Numbered No. 8), 26/F, Southwest Jiaotong University Innovation Building, 111 North 1st Section, 2nd Ring Road, Jinniu District, Chengdu, Sichuan Province
Representative: Haifeng Yu
Phone: 028-86616229

Pledgors:

Party B: Haifeng Yu
Address: No. 3, Yi Shan Street, Luogang District, Guangzhou
Phone: (86)13688886006

Party C: Yuanfen Yang
Address: No. 2704, Unit 2, Building 1, No. 323, BeiSen Road, Qingyang District, Chengdu
Phone: (86) 13880082529

Party D: Chengdu Puyi Bohui Information Technology Co., Ltd.
Address: 1/F Bldg. 10, No. 16, 4th Section, South of 2nd Ring Road, Xiaojiahe, High-Tech Zone, Chengdu, P.R.C.
Representative: Haifeng Yu
Phone: 028-86616229

14.5 Any Party may at any time change its address for notices by a notice delivered to the other Parties in accordance with the terms hereof.

15. Severability

In the event that one or several of the provisions of this Agreement are found to be invalid, illegal or unenforceable in any aspect in accordance with any laws or regulations, the validity, legality or enforceability of the remaining provisions of this Agreement shall not be affected or compromised in any respect. The Parties shall strive in good faith to replace such invalid, illegal or unenforceable provisions with effective provisions that accomplish to the greatest extent permitted by law and the intentions of the Parties, and the economic effect of such effective provisions shall be as close as possible to the economic effect of those invalid, illegal or unenforceable provisions.

16. Miscellaneous

16.1 Any amendments, changes and supplements to this Agreement shall be in writing and shall become effective upon completion of the governmental filing procedures (if applicable) after the affixation of the signatures or seals of the Parties.

16.2 This Agreement is written in Chinese and English in three copies. Each of Pledgors, Pledgee and Target Company shall hold one copy respectively. Each copy of this Agreement shall have equal validity. In case there is any conflict between the Chinese version and the English version, the Chinese version shall prevail.

[THIS SPACE IS INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the Parties have executed, or caused their respectively duly authorized representatives to execute, this Equity Pledge Agreement as of the date first above written.

Party A: Puyi Enterprises Management Consulting Co., Ltd. (Seal)

By: /s/ Haifeng Yu
Legal Representative: Haifeng Yu

Pledgors:

Party B: Haifeng Yu

By: /s/ Haifeng Yu

Party C: Yuanfen Yang

By: /s/ Yuanfen Yang

Party D: Chengdu Puyi Bohui Information Technology Co., Ltd. (Seal)

By: /s/ Haifeng Yu
Legal Representative: Haifeng Yu

Attachments

1. The Exclusive Technical and Consulting Services Agreement entered into between Puyi Enterprises Management Consulting Co., Ltd. and Chengdu Puyi Bohui Information Technology Co., Ltd. on September 6, 2018

2. The Exclusive Option Agreement entered into among Puyi Enterprises Management Consulting Co., Ltd., Haifeng Yu, Yuanfeng Yang, and Chengdu Puyi Bohui Information Technology Co., Ltd. on September 6, 2018

3. The Power of Attorney executed by Haifeng Yu on September 6, 2018

4. The Power of Attorney executed by Yuanfen Yang on September 6, 2018

Exhibit 10.18

Exclusive Option Agreement

This Exclusive Option Agreement ("this Agreement") is executed by and among the Parties below as of September 6, 2018, in Guangzhou, the People's Republic of China ("China" or "PRC"):

Party A: Puyi Enterprises Management Consulting Co., Ltd., a wholly foreign-owned enterprise duly registered in China, with its address at Rm 2611 (Self-Numbered No. 8), 26/F, Southwest Jiaotong University Innovation Building, 111 North 1st Section, 2nd Ring Road, Jinniu District, Chengdu, Sichuan Province.

Party B: Haifeng Yu, a citizen of the China with Chinese identification No.: 410103197407181353;

Party C: Yuanfen Yang, a citizen of the China with Chinese identification No.: 510107197408210928;

(Party B and Party C, individually, a "Shareholder", and together, the "Shareholders")

AND

Party D: Chengdu Puyi Bohui Information Technology Co., Ltd. (the "Target Company"), a limited liability company organized and existing under the laws of China, with its address at 1/F Bldg. 10, No. 16, 4th Section, South of 2nd Ring Road, Xiaojiahe, High-Tech Zone, Chengdu, P.R.C.

In this Agreement, each of Party A, Party B, Party C and Party D shall be referred to as a "Party" respectively, and they shall be collectively referred to as the "Parties".

Whereas:

1. Party B is a shareholder of Target Company and holds 99.06% of the equity interest in Target Company; Party C is a Shareholder of Target Company and holds 0.94% of the equity interest in Target Company; the Shareholders hold 100% of the equity interest in Target Company;

2. The Shareholders agree to grant Party A an exclusive option right through this Agreement, and Party A agrees to accept such exclusive option right to purchase all or any equity interest held by a Shareholder in Target Company.

Now therefore, upon mutual discussion and negotiation, the Parties have reached the following agreement:

1. Sale and Purchase of Equity Interest

1.1 Option Granted

The Shareholders hereby irrevocably grant Party A an irrevocable and exclusive right to purchase, or designate one or more persons (each, a "Designee") to purchase their equity interests in Target Company now or then held by the Shareholders (regardless whether the Shareholders' capital contributions and/or percentage of shareholding is changed or not in the future) once or at multiple times at any time in part or in whole at Party A's sole and absolute discretion to the extent permitted by PRC laws and regulations, and at the price described in Section 1.3 herein (such right being the "Equity Interest Purchase Option").

Except for Party A and the Designee(s), no other person shall be entitled to the Equity Interest Purchase Option or other rights with respect to the equity interests of the Shareholders. Target Company hereby agrees to the grant by the Shareholders of the Equity Interest Purchase Option to Party A. The term "person" as used herein shall refer to individuals, corporations, partnerships, partners, enterprises, trusts or any other type of economic entity.

1.2 Exercise of Equity Interest Purchase Option

1.2.1 Subject to the provisions of the PRC laws and regulations, Party A may exercise the Equity Interest Purchase Option by issuing a written notice to a Shareholder (the "Equity Interest Purchase Option Notice"), specifying: (a) Party A's decision to exercise the Equity Interest Purchase Option; (b) the portion of equity interests to be purchased from a Shareholder (the "Optioned Interests"); and (c) the date for purchasing the Optioned Interests.

1.2.2 The purchase price of the Optioned Interests (the "Base Price") shall be RMB 10, or the minimum price then permitted by the PRC laws and regulations if such lowest price is higher than RMB 10. If appraisal is required by the PRC laws and regulations at the time when Party A exercises the Equity Interest Purchase Option, the Parties shall negotiate in good faith and based on the appraisal result make necessary adjustment to the Equity Interest Purchase Price so that it complies with any and all then applicable PRC laws and regulations (collectively, the "Equity Interest Purchase Price").

1.2.3 Shareholders agree, upon receiving the Equity Interest Purchase Price, to return the Equity Interest Purchase Price to Party A's offshore parent company Puyi Inc. ("Party A's Parent Company")

1.4 Transfer of Optioned Interests

For each exercise of the Equity Interest Purchase Option:

1.4.1 A Shareholder shall cause Target Company to promptly convene a shareholders meeting, at which a resolution shall be adopted approving the Shareholder's transfer of the Optioned Interests to Party A and/or the Designee(s);

1.4.2 A Shareholder shall obtain written statements from the other shareholder of Target Company giving consent to the transfer of the equity interest to Party A and/or the Designee(s) and waiving any right of first refusal related thereto.

1.4.3 A Shareholder shall execute a share transfer contract with respect to each transfer with Party A and/or each Designee (whichever is applicable), in accordance with the provisions of this Agreement and the Equity Interest Purchase Option Notice regarding the Optioned Interests;

1.4.4 The relevant Parties shall execute all other necessary contracts, agreements or documents, obtain all necessary government licenses and permits and take all necessary actions to transfer valid ownership of the Optioned Interests to Party A and/or the Designee(s), unencumbered by any security interests, and cause Party A and/or the Designee(s) to become the registered owner(s) of the Optioned Interests.

For the purpose of this Section and this Agreement, "security interests" shall include securities, mortgages, third party's rights or interests, any stock options, acquisition right, right of first refusal, right to offset, ownership retention or other security arrangements, but shall be deemed to exclude any security interest created by this Agreement and a Shareholders' Equity Pledge Agreement. "Shareholders' Equity Pledge Agreement" as used in this Section and this Agreement shall refer to the Equity Pledge Agreement (Attachment 1) executed by and among Party A, a Shareholder, and Target Company on the date of this Agreement, whereby the Shareholders pledge all of their equity interests in Target Company to Party A, in order to guarantee Target Company's performance of its obligations under the Exclusive Technical and Consulting Services Agreement executed by and between Target Company and Party A (Attachment 2).

2. Covenants

2.1 Covenants regarding Target Company

Target Company hereby covenant as follows:

2.1.1 Without the prior written consent of Party A or Party's Parent Company, they shall not in any manner supplement, change or amend the articles of association and bylaws of Target Company, increase or decrease its registered capital, or change its structure of registered capital in other manners;

2.1.2 They shall maintain Target Company's corporate existence in accordance with good financial and business standards and practices by prudently and effectively operating its business and handling its affairs;

2.1.3 Without the prior written consent of Party A or Party A's Parent Company, they shall not at any time following the date hereof, sell, transfer, mortgage or dispose of in any manner any assets of Target Company or legal or beneficial interest in the business or revenues of Target Company, or allow the encumbrance thereon of any security interest;

2.1.4 Without the prior written consent of Party A or Party A's Parent Company, they shall not incur, inherit, guarantee or suffer the existence of any debt, except for (i) debts incurred in the ordinary course of business other than through loans; and (ii) debts disclosed to Party A for which Party A's written consent has been obtained;

2.1.5 They shall always operate all of Target Company's businesses during the ordinary course of business to maintain the asset value of Target Company and refrain from any action/omission that may affect Target Company's operating status and asset value;

2.1.6 Without the prior written consent of Party A or Party A's Parent Company, they shall not cause Target Company to execute any major contract, except the contracts in the ordinary course of business (for purpose of this subsection, a contract with a value exceeding RMB5 million shall be deemed a major contract);

2.1.7 Without the prior written consent of Party A or Party A's Parent Company, they shall not cause Target Company to provide any person with any loan or credit;

2.1.8 They shall provide Party A with information on Target Company's business operations and financial condition at Party A's request;

2.1.9 If requested by Party A, they shall procure and maintain insurance in respect of Target Company's assets and business from an insurance carrier acceptable to Party A, at an amount and type of coverage typical for companies that operate similar businesses;

2.1.10 Without the prior written consent of Party A or Party A's Parent Company, they shall not cause or permit Target Company to merge, consolidate with, acquire or invest in any person;

2.1.11 They shall immediately notify Party A of the occurrence or possible occurrence of any litigation, arbitration or administrative proceedings relating to Target Company's assets, business or revenue;

2.1.12 To maintain the ownership by Target Company of all of its assets, they shall execute all necessary or appropriate documents, take all necessary or appropriate actions and file all necessary or appropriate complaints or raise necessary and appropriate defenses against all claims;

2.1.13 Without the prior written consent of Party A or Party A's Parent Company, they shall ensure that Target Company shall not in any manner distribute dividends to its shareholders, provided that upon Party A's written request, Target Company shall immediately distribute all distributable profits to its Shareholders; and

2.1.14 At the request of Party A, they shall appoint any persons designated by Party A as the director and/or executive director of Target Company.

2.2 Covenants of the Shareholders and Target Company

Shareholders and Target Company hereby covenant as follows:

2.2.1 Without the prior written consent of Party A or Party A's Parent Company, they shall not sell, transfer, mortgage or dispose of in any other manner any legal or beneficial interest in the equity interests in Target Company held by the Shareholders, or allow the encumbrance thereon of any security interest, except for the pledge placed on these equity interests in accordance with the Shareholders' Equity Pledge Agreement (Attachment 1);

2.2.2 The Shareholders shall cause the shareholders' meeting and/or the board of directors and/or executive director of Target Company not to approve the sale, transfer, mortgage or disposition in any other manner of any legal or beneficial interest in the equity interests in Target Company held by a Shareholder, or allow the encumbrance thereon of any security interest, without the prior written consent of Party A, except for the pledge placed on these equity interests in accordance with the Shareholders' Equity Pledge Agreement (Attachment 1) entered into with Party A and Target Company;

2.2.3 The Shareholders shall cause the shareholders' meeting or the board of directors and/or executive director of Target Company not to approve the merger or consolidation with any person, or the acquisition of or investment in any person, without the prior written consent of Party A or Parent A's Parent Company;

2.2.4 The Shareholders shall immediately notify Party A of the occurrence or possible occurrence of any litigation, arbitration or administrative proceedings relating to the equity interests in Target Company held by a Shareholder;

2.2.5 They shall cause the shareholders' meeting or the board of directors and/or executive director of Target Company to vote their approval of the transfer of the Optioned Interests as set forth in this Agreement and to take any and all other actions that may be requested by Party A;

2.2.6 To the extent necessary to maintain the Shareholders' ownership in Target Company, they shall execute all necessary or appropriate documents, take all necessary or appropriate actions and file all necessary or appropriate complaints or raise necessary and appropriate defenses against all claims;

2.2.7 They shall appoint any designee of Party A as the director and/or executive director of Target Company, at the request of Party A;

2.2.8 At the request of Party A at any time, a Shareholder shall promptly and unconditionally transfer its equity interests in Target Company to Party A's Designee(s) in accordance with the Equity Interest Purchase Option under this Agreement, and the Shareholder hereby waives its right of first refusal (if any) to the share transfer by the other existing shareholder of Target Company (if any); and

2.2.9 The Shareholders shall strictly abide by the provisions of this Agreement and other contracts jointly or separately executed by and among the Shareholders, Target Company and Party A, perform the obligations hereunder and thereunder, and refrain from any action/omission that may affect the effectiveness and enforceability thereof. To the extent that a Shareholder has any remaining rights with respect to the equity interests subject to this Agreement hereunder or under the Shareholders' Equity Pledge Agreement (Attachment 1) or under the Power of Attorney granted in favor of Party A (Attachment 3 and Attachment 4), the Shareholder shall not exercise such rights except in accordance with the written instructions of Party A.

3. Representations and Warranties

The Shareholders and Target Company hereby represent and warrant to Party A, jointly and severally, as of the date of this Agreement and each date of transfer of the Optioned Interests, that:

3.1 They have the authority to execute and deliver this Agreement and any share transfer contracts to which they are a Party concerning the Optioned Interests to be transferred thereunder (each, a "Transfer Agreement"), and to perform their obligations under this Agreement and any Transfer Agreement. The Shareholders and Target Company agree to enter into Transfer Agreement consistent with the terms of this Agreement upon Party A's exercise of the Equity Interest Purchase Option. This Agreement and the Transfer Agreement to which a Shareholder and Target Company are the parties constitute or will constitute their legal, valid and binding obligations and shall be enforceable against them in accordance with the provisions thereof;

3.2 The execution and delivery of this Agreement or any Transfer Agreement and the obligations under this Agreement or any Transfer Agreement shall not: (i) cause any violation of any applicable laws of China; (ii) be inconsistent with the articles of association, bylaws or other organizational documents of Target Company; (iii) cause the violation of any contracts or instruments to which they are a party or which are binding on them, or constitute any breach under any contracts or instruments to which they are a party or which are binding on them; (iv) cause any violation of any condition for the grant and/or continued effectiveness of any licenses or permits issued to either of them; or (v) cause the suspension or revocation of or imposition of additional conditions to any licenses or permits issued to either of them;

3.3 A Shareholder has a good and merchantable title to the equity interests in Target Company he or she holds. Except for the Shareholders' Equity Pledge Agreement (Attachment 1) entered into with Party A and Target Company, the Shareholder has not placed any security interest on such equity interests;

3.4 Target Company has a good and merchantable title to all of its assets, and has not placed any security interest on the aforementioned assets;

3.5 Target Company does not have any outstanding debts, except for (i) debt incurred in the ordinary course of business; and (ii) debts disclosed to Party A for which Party A's written consent has been obtained;

3.6 Target Company has complied with all the PRC laws and regulations applicable to asset acquisitions; and

3.7 There is no pending or threatened litigation, arbitration or administrative proceedings relating to the equity interests in Target Company, assets of Target Company or Target Company.

4. Effectiveness and Termination of This Agreement

4.1 This Agreement shall become effective upon the date hereof, after being executed or sealed by the Parties or executed by their legal representatives.

4.2 This Agreement shall be terminated after all the equity interest in Target Company held by the Shareholders and/or all the assets of Target Company have been legally transferred to Party A and/or its designee in accordance with this Agreement. Notwithstanding the above provision, Party A shall in any event be entitled to terminate this Agreement by prior written notice to the Shareholders and Target Company thirty (30) days in advance, and Party A shall not be held liable for default in respect of the unilateral termination of this Agreement.

5. Governing Law and Resolution of Disputes

5.1 Governing law

The execution, effectiveness, construction, performance, amendment and termination of this Agreement and the resolution of disputes hereunder shall be governed by the formally published and publicly available laws of China. Matters not covered by formally published and publicly available laws of China shall be governed by international legal principles and practices.

5.2 Dispute Resolution

In the event of any dispute with respect to the construction and performance of this Agreement, the Parties shall first resolve the dispute through friendly negotiations. In the event the Parties fail to reach an agreement on the dispute within 30 days after either Party's request to the other Parties for resolution of the dispute through negotiations, either Party may submit the relevant dispute to the China Nansha International Arbitration Centre for arbitration, in accordance with its then effective arbitration rules. The arbitration shall be conducted in Guangzhou, China, and the language used in arbitration shall be Chinese. The arbitration award shall be final and binding on all Parties.

6. Taxes and Fees

Each Party shall pay any and all transfer and registration tax, expenses and fees incurred thereby or levied thereon in accordance with the PRC laws and regulations in connection with the preparation and execution of this Agreement and the Transfer Contracts, as well as the consummation of the transactions contemplated under this Agreement and the Transfer Contracts.

7. Notice

7.1 All notices and other communications required or permitted to be given pursuant to this Agreement shall be delivered personally or sent by registered mail, postage prepaid, by a commercial courier service or by facsimile transmission to the address of such Party set forth below. A confirmation copy of each notice shall also be sent by email. The dates on which notices shall be deemed to have been effectively given shall be determined as follows:

7.1.1 Notices given by personal delivery, by courier service or by registered mail, postage prepaid, shall be deemed effectively given on the date of delivery or refusal at the address specified for notices.

7.1.2 Notices given by facsimile transmission shall be deemed effectively given on the date of successful transmission (as evidenced by an automatically generated confirmation of transmission).

7.2 For the purpose of notices, the addresses of the Parties are as follows:

Party A: Puyi Enterprises Management Consulting Co., Ltd.
Address: Rm 2611 (Self-Numbered No. 8), 26/F, Southwest Jiaotong University Innovation Building, 111 North 1st Section, 2nd Ring Road, Jinniu District, Chengdu, Sichuan Province
Attn: Haifeng Yu
Phone: 028-86616229

Party B: Haifeng Yu
Address: No. 3, Yi Shan Street, Luogang District, Guangzhou
Phone: (86) 13688886006

Party C: Yuanfen Yang
Address: No. 2704, Unit 2, Building 1, No. 323, BeiSen Road, Qingyang District, Chengdu
Phone: (86) 13880082529

Party D: Chengdu Puyi Bohui Information Technology Co., Ltd.
Address: 1/F Bldg. 10, No. 16, 4th Section, South of 2nd Ring Road, Xiaojiahe, High-Tech Zone, Chengdu, P.R.C.
Representative: Haifeng Yu
Phone: 028-86616229

7.3 Any Party may at any time change its address for notices by a notice delivered to the other Parties in accordance with the terms hereof.

8. Confidentiality

The Parties acknowledge that any oral or written information exchanged among them with respect to this Agreement is confidential information. Each Party shall maintain the confidentiality of all such information, and without obtaining the written consent of other Parties, it shall not disclose any relevant information to any third parties, except in the following circumstances: (a) such information is or will be in the public domain (provided that this is not the result of a public disclosure by the receiving party); (b) information disclosed as required by applicable laws or rules or regulations of any stock exchange; or (c) information required to be disclosed by any Party to its legal counsel or financial advisor regarding the transaction contemplated hereunder, and such legal counsel or financial advisor are also bound by confidentiality duties similar to the duties in this section. Disclosure of any confidential information by the staff members or agency hired by any Party shall be deemed disclosure of such confidential information by such Party, which Party shall be held liable for breach of this Agreement. This Section shall survive the termination of this Agreement for any reason.

9. Further Warranties

The Parties agree to promptly execute documents that are reasonably required for or are conducive to the implementation of the provisions and purposes of this Agreement and take further actions that are reasonably required for or are conducive to the implementation of the provisions and purposes of this Agreement.

10. Miscellaneous

10.1 Amendment, change and supplement

Any amendment, change and supplement to this Agreement shall require the execution of a written agreement by all of the Parties.

10.2 Entire agreement

Except for the amendments, supplements or changes in writing executed after the execution of this Agreement, this Agreement shall constitute the entire agreement reached by and among the Parties hereto with respect to the subject matter hereof, and shall supersede all prior oral and written consultations, representations and contracts reached with respect to the subject matter of this Agreement.

10.3 Headings

The headings of this Agreement are for convenience only, and shall not be used to interpret, explain or otherwise affect the meanings of the provisions of this Agreement.

10.4 Language

This Agreement is written in both Chinese and English language in four (4) copies, each Party having one copy with equal legal validity; in case there is any conflict between the Chinese version and the English version, the Chinese version shall prevail.

10.5 Severability

In the event that one or several of the provisions of this Agreement are found to be invalid, illegal or unenforceable in any aspect in accordance with any laws or regulations, the validity, legality or enforceability of the remaining provisions of this Agreement shall not be affected or compromised in any respect. The Parties shall strive in good faith to replace such invalid, illegal or unenforceable provisions with effective provisions that accomplish to the greatest extent permitted by law and the intentions of the Parties, and the economic effect of such effective provisions shall be as close as possible to the economic effect of those invalid, illegal or unenforceable provisions.

10.6 Successors

This Agreement shall be binding on and shall inure to the interest of the respective successors of the Parties and the permitted assigns of such Parties.

10.7 Survival

10.7.1 Any obligations that occur or that are due as a result of this Agreement upon the expiration or early termination of this Agreement shall survive the expiration or early termination thereof.

10.7.2 The provisions of Sections 5, 7, 8 and this Section 10.7 shall survive the termination of this Agreement.

10.8 Waivers

Any Party may waive the terms and conditions of this Agreement, provided that such a waiver must be provided in writing and shall require the signatures of the Parties. No waiver by any Party in certain circumstances with respect to a breach by other Parties shall operate as a waiver by such a Party with respect to any similar breach in other circumstances.

[THIS SPACE IS INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the Parties have executed, or caused their respectively duly authorized representatives to execute, this Exclusive Option Agreement as of the date first above written.

Party A: **Puyi Enterprises Management Consulting Co., Ltd.**

By: /s/ Yu Haifeng
Legal Representative: Yu Haifeng

Party B: Yu Haifeng

By: /s/ Yu Haifeng

Party C: Yang Yuanfen

By: /s/ Yang Yuanfen

Party D: **Chengdu Puyi Bohui Information Technology Co., Ltd.**

By: /s/ Yu Haifeng
Legal Representative: Yu Haifeng

Attachments

1. The Equity Pledge Agreement entered into among Puyi Enterprises Management Consulting Co., Ltd., Haifeng Yu, Yuanfeng Yang, and Chengdu Puyi Bohui Information Technology Co., Ltd. on September 6, 2018

2. The Exclusive Technical and Consulting Services Agreement entered into between Puyi Enterprises Management Consulting Co., Ltd. and Chengdu Puyi Bohui Information Technology Co., Ltd. on September 6, 2018

3. The Power of Attorney executed by Haifeng Yu on September 6, 2018

4. The Power of Attorney executed by Yuanfen Yang on September 6, 2018

Exhibit 10.19

Spousal Consent

I, Qi Xiao (ID number: 510213198205042044), am the legal spouse of Haifeng YU (ID number: 410103197407181353) ("My Spouse"). I hereby unconditionally and irrevocably agree My Spouse to sign the following documents (the "Transaction Documents") on September 6, 2018, and agree to dispose of the equity interest in Chengdu Puyi Bohui Information Technology Co., Ltd. (the "Company") held by and registered under the name of My Spouse in accordance with the provisions of the following documents:

(1) The Equity Pledge Agreement entered into by My Spouse, Puyi Enterprises Management Consulting Co., Ltd. ("WFOE"), the Company, and other related party;

(2) The Exclusive Option Agreement entered into by My Spouse, WFOE, the Company, and other related party; and

(3) The Power of Attorney executed by My Spouse authorizing WFOE to enjoy and exercise his/her rights and obligations raising from the shareholding of equity interests in the Company.

I hereby confirm that I am not entitled to any right with respect to the equity interest in the Company, and undertake not to raise any claim on the equity interest in the Company. I further confirm that My Spouse's performance of the Transaction Documents and further modification or termination of the Transaction Documents will not require my separate authorization or consent.

I hereby undertake to sign all necessary documents and take all necessary actions to ensure the Transaction Documents (as amended from time to time) to be properly performed.

I hereby agree and undertake that if I obtain any equity interest in the Company for any reason, I shall be bound by the Transaction Documents (as amended from time to time) and abide by the obligations of the shareholders of the Company under the Transaction Documents (as amended from time to time), and for such purpose, once requested by WFOE or its appointed third party, I shall sign a series of written documents with substantially the same form and content as the Transaction Documents (as amended from time to time).

By: /s/ Qi Xiao

Signatory: Qi Xiao
Date: September 6, 2018

By: /s/ Jianhua Feng

Witness: Jianhua Feng
Date: September 6, 2018

Strictly Confidential

Exhibit 10.20

Spousal Consent

I, Jianping Cheng (ID number: 51011119680403353X), am the legal spouse of Yuanfen YANG (ID number: 510107197408210928) ("My Spouse"). I hereby unconditionally and irrevocably agree My Spouse to sign the following documents (the "Transaction Documents") on September 6, 2018, and agree to dispose of the equity interest in Chengdu Puyi Bohui Information Technology Co., Ltd. (the "Company") held by and registered under the name of My Spouse in accordance with the provisions of the following documents:

(1) The Equity Pledge Agreement entered into by My Spouse, Puyi Enterprises Management Consulting Co., Ltd. ("WFOE"), the Company, and other related party;

(2) The Exclusive Option Agreement entered into by My Spouse, WFOE, the Company, and other related party; and

(3) The Power of Attorney executed by My Spouse authorizing WFOE to enjoy and exercise his/her rights and obligations raising from the shareholding of equity interests in the Company.

I hereby confirm that I am not entitled to any right with respect to the equity interest in the Company, and undertake not to raise any claim on the equity interest in the Company. I further confirm that My Spouse's performance of the Transaction Documents and further modification or termination of the Transaction Documents will not require my separate authorization or consent.

I hereby undertake to sign all necessary documents and take all necessary actions to ensure the Transaction Documents (as amended from time to time) to be properly performed.

I hereby agree and undertake that if I obtain any equity interest in the Company for any reason, I shall be bound by the Transaction Documents (as amended from time to time) and abide by the obligations of the shareholders of the Company under the Transaction Documents (as amended from time to time), and for such purpose, once requested by WFOE or its appointed third party, I shall sign a series of written documents with substantially the same form and content as the Transaction Documents (as amended from time to time).

By: /s/ Jianping Cheng

Signatory: Jianping Cheng
Date: September 6, 2018

By: /s/ Jianhua Feng

Witness: Jianhua Feng
Date: September 6, 2018

Strictly Confidential

Exhibit 10.21

Power of Attorney

I, Haifeng Yu, a Chinese citizen with Chinese Identification Card No.: 410103197407181353, and a holder of 99.06% of the entire registered capital in Chengdu Puyi Bohui Information Technology Co., Ltd., (the "Company") (the "My Shareholding"), hereby irrevocably authorize Puyi Enterprises Management Consulting Co., Ltd. (the "WFOE") to exercise the following rights relating to My Shareholding during the term of this Power of Attorney:

1. The WFOE is hereby authorized to act on behalf of myself as my exclusive agent and attorney with respect to all matters concerning My Shareholding, including without limitation to: 1) attend shareholders' meetings of the Company; 2) exercise all the shareholder's rights and shareholder's voting rights I am entitled to under the laws of China and the Company's Articles of Association, including but not limited to the sale or transfer or pledge or disposition of My Shareholding in part or in whole; and 3) designate and appoint on behalf of myself the legal representative, the executive director and/or director, supervisor, the chief executive officer and other senior management members of the Company.

2. Without limiting the generality of the powers granted hereunder, the WFOE shall have the power and authority under this Power of Attorney to execute the Transfer Contracts stipulated in Exclusive Option Agreement, to which I am required to be a party, on behalf of myself, and to effect the terms of the Share Pledge Agreement and Exclusive Option Agreement, both dated the date hereof, to which I am a party.

3. All the actions associated with My Shareholding conducted by the WFOE shall be deemed as my own actions, and all the documents related to My Shareholding executed by the WFOE shall be deemed to be executed by me. I hereby acknowledge and ratify those actions and/or documents by the WFOE.

4. The WFOE is entitled to re-authorize or assign its rights related to the aforesaid matters to any other person or entity at its own discretion and without giving prior notice to me or obtaining my consent.

This Power of Attorney is coupled with an interest and shall be irrevocable and continuously valid from the date of execution of this Power of Attorney, so long as I am a shareholder of the Company.

During the term of this Power of Attorney, I hereby waive all the rights associated with My Shareholding, which have been authorized to WFOE through this Power of Attorney, and shall not exercise such rights by myself.

This Power of Attorney is written in Chinese and English; in case there is any conflict between the Chinese version and the English version, the Chinese version shall prevail.

By: /s/ Haifeng Yu

Signatory: Haifeng Yu
Date: September 6, 2018

By: /s/ Jianhua Feng

Witness: Jianhua Feng
Date: September 6, 2018

Strictly Confidential

Exhibit 10.22

Power of Attorney

I, Yuanfen Yang, a Chinese citizen with Chinese Identification Card No.: 510107197408210928, and a holder of 0.96% of the entire registered capital in Chengdu Puyi Bohui Information Technology Co., Ltd., (the "Company") (the "My Shareholding"), hereby irrevocably authorize Puyi Enterprises Management Consulting Co., Ltd. (the "WFOE") to exercise the following rights relating to My Shareholding during the term of this Power of Attorney:

1. The WFOE is hereby authorized to act on behalf of myself as my exclusive agent and attorney with respect to all matters concerning My Shareholding, including without limitation to: 1) attend shareholders' meetings of the Company; 2) exercise all the shareholder's rights and shareholder's voting rights I am entitled to under the laws of China and the Company's Articles of Association, including but not limited to the sale or transfer or pledge or disposition of My Shareholding in part or in whole; and 3) designate and appoint on behalf of myself the legal representative, the executive director and/or director, supervisor, the chief executive officer and other senior management members of the Company.

2. Without limiting the generality of the powers granted hereunder, the WFOE shall have the power and authority under this Power of Attorney to execute the Transfer Contracts stipulated in Exclusive Option Agreement, to which I am required to be a party, on behalf of myself, and to effect the terms of the Share Pledge Agreement and Exclusive Option Agreement, both dated the date hereof, to which I am a party.

3. All the actions associated with My Shareholding conducted by the WFOE shall be deemed as my own actions, and all the documents related to My Shareholding executed by the WFOE shall be deemed to be executed by me. I hereby acknowledge and ratify those actions and/or documents by the WFOE.

4. The WFOE is entitled to re-authorize or assign its rights related to the aforesaid matters to any other person or entity at its own discretion and without giving prior notice to me or obtaining my consent.

This Power of Attorney is coupled with an interest and shall be irrevocable and continuously valid from the date of execution of this Power of Attorney, so long as I am a shareholder of the Company.

During the term of this Power of Attorney, I hereby waive all the rights associated with My Shareholding, which have been authorized to WFOE through this Power of Attorney, and shall not exercise such rights by myself.

This Power of Attorney is written in Chinese and English; in case there is any conflict between the Chinese version and the English version, the Chinese version shall prevail.

By: /s/ Yuanfen Yang

Signatory: Yuanfen Yang
Date: September 6, 2018

By: /s/ Jianhua Feng

Witness: Jianhua Feng
Date: September 6, 2018

Strictly Confidential

Chengdu Puyi Bohui Information Technology Co., Ltd.

Equity Entrustment Agreement

This Equity Entrustment Agreement (hereinafter referred to as "this Agreement") is entered into between the following parties in [name of city] of the People's Republic of China (hereinafter referred to as "China") on [date]:

Party A (Dormant Shareholder): [Name], [Chinese] natural person, with ID Card No./Passport No.:[ ];

Party B (Registered Shareholder): Yu Haifeng, with ID card No.: 410103197407181353.

Whereas,

Chengdu Puyi Bohui Information Technology Co., Ltd. (hereinafter referred to as the "Company"), (unified social credit code: 91510100594666757E), is a limited liability company legally established and existing under the Chinese law with RMB 600 million registered capital.

Party A, as the Company's Dormant Shareholder, beneficially holds [ ]% of the Company's equity, and Party B, as a Registered Shareholder of the Company according to its current industrial and commercial registration, beneficially holds 48% of the Company's equity interests, and is currently registered as holding a total of 99.04% of the Company's equity interests. Party A has previously entrusted Party B to hold the Company's equity interests beneficially owned by Party A as mentioned above on its behalf (hereinafter referred to as "Onshore Entrusted Shares"), pursuant to an entrustment relationship established between Party A and Party B (hereinafter referred to as "Entrustment Relationship") on [MM] [DD], [YY].

Whereas, in order to acknowledge in writing the entrustment relationship between the two parties and ownership of the entrusted equity , Party A and Party B, entered into the following agreement through friendly consultation in accordance with the applicable laws and regulations, and in the spirit of equality and mutual benefit and in good faith.

1. Entrusted Rights

1.1. In order to clarify the ownership of the entrusted equity, Party A and Party B herein acknowledge that Party A entrusts Party B to act as an attorney-in-fact to hold the Onshore Entrusted Shares on behalf of Party A. Party A shall only be entitled to the rights to dispose of the Onshore Entrusted Shares and to receive distributions on or from such Onshore Entrusted Shares, and Party B shall have the right to exercise shareholder's rights and interests of the Onshore Entrusted Shares at its discretion, except the right to dispose of such shares and to receive distributions on or from such Onshore Entrusted Shares.

1.2. According to this Agreement, the rights and interests ("Nominee Shareholder's Rights and Interests") entrusted by Party A to Party B to exercise on its behalf at its discretion include:

(1) Registering as the Registered Shareloder of the Company with the local Industry and Commerce Bureau;

(2) Attending and participating in corresponding activities as the Company's shareholder;

(3) Engaging in the Company's operation management as the Company's shareholder;

(4) Attending shareholder meetings and exercising the voting rights;

(5) Appointment and removal of directors;

(6) Other rights the shareholder shall exert pursuant to PRC laws and regulations and the Company's Article of Associations, except the right to dispose of and to receive distributions on or from such Onshore Entrusted Shares.

1.3. Party A shall be no longer entitled to rights and interests as Registered Shareholder except for the rights to dispose of any Entrusted Shares as aforementioned in Article 1.2.

1.4. Notwithstanding the foregoing provisions in Article 1.2 and 1.3, under the circumstances of establishing and reorganizing corporate structure solely for the purpose of public listing, Party A shall authorize Party B to act on its behalf as its attoney-in-fact to sign and executue relevant agreements (including but not limited to equity pledge agreement, exclusive equity purchase agreement and power of attorney) and to dispose of the equity according to the such agreements.

1.5. Equity entrustment relationship can be interpreted as similar legal concepts such as Dormant Shareholders and Dormant agents, subject to the relevant provisions of the Judicial Interpretation (3) in the *Company Law* promulgated by the Supreme People's Court.

2. Offshore Entrustment

2.1. During the term of the equity entrustment, when the Compay is qualified for overseas listing, if Party A or any third party designated by it beneficially holds equity interests in the Company's offshore company which will serve as the listing entity ("Offshore Entrusted Shares") corresponding to the Entrusted Shares, Party A shall entrust Party B to hold such Offshore Entrusted Shares on its behalf through a company established in the British Virgin Islands ("BVI Company").

2.2. Party B, as the de facto controller of the BVI Company, which is the Registered Shareholder of the Offshore Entrusted Shares, shall has the discretion to exercise Shareholders' rights and interests as the Registered Shareholder of the Offshore Entrusted shares, in accordance with the provisions in Article 1.2, except the right to dispose of and to receive distributions on or from such Onshore Entrusted Shares. Party A shall be only entitled to the rights to dispose of Offshore Entrusted Shares and to receive distribution from such Offshore Entrusted Shares.

3. Party A's Rights and Obligations

3.1. Party A, as the de facto owner of the Onshore Entrusted Shares and Offshore Entrusted Shares (if any) (jointly known as "entrusted shares"), shall have the right to obtain the proceeds from the investment and to dispose of the the Entrusted Shares. Party B shall only enjoy the rights and interets as the Registered Shareholer of the Entrusted Shares, but not be entitled to any shareholder's rights to receive the distribution from or to dispose of any Entrusted Shares (including but not limited to transfer, pledge, and deliver of the shareholder's equity) which is obtained through capital contribution.

3.2. During the term of the euqity entrustment, Party A has the right to transfer the relevant shareholder's equity to itself or any third party designed by itself, and Party B and the Company shall agree to the transfer unconditionally and fully cooperate to faciliate the procedures of registration for changes. However, if the Company is qualified for listing, it shall be executed according to Article 2 herein.

3.3. Party A, as the de facto controller of the entrusted equity, has the right to supervise and correct Party B's improper trustee behavior according to this Agreement, but Party A shall not arbitrarily interfere in Party B's normal activities within the scope of the entrusted rights.

3.4. Party A is obliged to remit the subscription payment for the Entrusted Shares into the Company's account on time, in accordance with the Articles of Association of the Company.

4. Party B's Rights and Obligations

4.1. Party B has the right to put its name on the Company's business registration information according to Party A's entrustment.

4.2. As the Company's Registered Shareholder and the de facto controller of the BVI company, Party B promises that the Entrusted Shares it holds shall be bound by this Agreement. But Party B shall not need to obtain Party A's consent for the exercise of voting rights in the process of participating in the businss operation and management of the Company as a shareholder.

4.3. Party B promises that it will transfer future distributions on or from the Entrusted Shares (including but not limited to cash dividends, bonuses or any other kind of distribution) to Party A

4.4. When Party A requests Party B to return the Entrusted Shares when conditions permit, or Party A requires Party B to dispose of all its Offshore Entrusted Shares, Party B shall full cooperate to assist Party A to complete all procedures of registration for changes.

5. Term of Entrustment

This entrustment shall be valid from the date on which Party A and Party B established the entrustment relationship, which was [MM] [DD], [YY] and expire on the date of any following events, whichever comes first: the Parties hereto agree that Party B transfers the Entrusted Shares bac and completes the procedures of registration for change with the Industry and Commercial Bureau, or Party A required Party B to dispose of all its Offshore Entrusted Shares.

6. Confidentiality

Both Party A and Party B shall be obliged to keep confidential the contents of this Agreement and any business information of the other party related to communications, execution and performance hereof , unless there is clear evidence showing that such information is publicly known or authorized in writing by the other party. Any party that causes losses to the other party for violating such obligation shall compensate the other party for the corresponding losses.

7. Governing Laws and Dispute Resolution

7.1. The conclusion, validity, interpretation, performance, modification and termination of this Agreement and the resolution of disputes shall be governed by and construed in accordance with the relevant laws and regulations of the People's Republic of China.

7.2. The Parties hereto shall first resolve any dispute arising from or related to the Agreement through friendly negotiation. If the dispute remains unresolved within 30 days after the other party issues a written notice requesting a settlement, such dispute shall be submited for arbitration to the China Nansha International Arbitration Center in Nansha, Guangzhou, in accordancew with applicable arbitration rules. The language used for arbitration will be Chinese and the arbitral ruling shall be final and binding on the Parties hereto.

7.3. If there is any dispute arising from the interpretation and fulfillmentof this Agreement or there is any dispute under arbitration, apart from the disputed matters, the parties to this Agreement shall continue to exercise their other respective rights and perform their other respective obligations under this Agreement.

8. Miscellaneous

8.1. This Agreement is made in duplicate, with each party holding one with the equal legal force.

8.2. Any changes or additions to this Agreement are subject to the written consent of the Parties hereto. For matters uncovered herein, the Parties hereto shall sign a supplementary agreement after further mutual negotation.

8.3. The signing of this Agreement constitutes the written acknowledgement of the agreement between Party A and Party B on the formation of the entrustment relationship and the ownership of the Entrusted Shares. The date of signing this Agreement does not affect the effectiveness of the entrustment relationship.

(The remainder of this page is intentionally left blank)

(The remainder of this page is intentionally left blank as the signing page of Equity Entrust Agreement for Chengdu Puyi Bohui Information Technology Co., Ltd.)

Date:

Party A:

Party B:

Yu Haifeng

Exhibit 10.24

Equity Transfer Agreement

The *Equity Transfer Agreement* (hereinafter referred to as the "Agreement") is entered into between the following parties in Chengdu, Sichuan, the PRC, on September 03, 2018:

Party A: Beijing Trans-Link Investment Co.,Ltd. (hereinafter referred to as the "Transferor")
Unified LC Code: 911101057577391229

Party B: Chengdu Puyi Bohui Information Technology Co., Ltd. (hereinafter referred to as the "Transferee")
Unified LC Code: 91510100594666757E

Target Company: Fanhua Puyi Fund Sales Co.,Ltd.
Unified LC Code: 91510108564471131K

Whereas:

1. The target company (hereinafter referred to as the Company) was registered for establishment and obtained the business license with business registration number 91510108564471131K on November 19, 2010.

2. Registered capital of the Company was RMB 65.08 million and paid-up capital RMB 65.08 million, including Party A's subscription of RMB 10.028117 million and paid-up capital of RMB 10.28117 million, holding 15.41% equity.Party B's subscription of RMB 55.051883 million and paid-up capital of RMB 55.051883 million, holding 84.59% equity.

3. Based on adjustment of the Company's business development strategy, Party A intends to transfer a total of 15.41% equity of the Company they hold to Party B; Party B intends to agree to the transfer of 15.41% equity in accordance with the terms and conditions in the Agreement.

The Agreement is entered into through friendly negotiation between the Parties hereto on the aforementioned equity transfer matter for mutual obedience and performance pursuant to the *Company Law of the People's Republic of China*, the *Contract Law of the People's Republic of China* and other laws, regulations and normative documents.

1. Target Equity

1.1 Based on the terms and conditions of the Agreement, Party A shall transfer 15.41% equity of the Company it hold to Party B (hereinafter referred to as the target equity) and Party B agrees the transfer of the target equity.

1.2 The target equity transferred by Party A to Party B includes the relevant shareholder's rights and interests pertaining to the equity, including but not limited to: shareholder's voting right, shareholder's profit and property distribution right, senior management appointment right, all rights enjoyed by Party A in various *Contracts, Articles of Association* and relevant documents, and other shareholder's rights and interests pertaining to the target equity.

1.3 From the date on which the Parties hereto complete the equity delivery in the Agreement, the rights and obligations of the Transferor shall be transferred to the Transferee.

1.4 Once the equity transfer is completed, the equity structure of the Target Company shall be as follows:

Shareholder's Name	Capital contribution (RMB/00,000)	Equity Ratio %
Chengdu Puyi Bohui Information Technology Co., Ltd.	6508	100
In total	6508	100

2.Transfer Consideration

2.1 The object equity transferred by Party A to Party B and its subsidiary shareholders' equity values at RMB [10,028,117.00] (hereinafter referred to as "equity transfer price").

2.2 The payment time of Party B: Party B shall pay Party A RMB 10,028,117.00 within 30 working days from the date of execution of this equity transfer agreement.

2.3 Party B shall remit the equity transfer price to the designated receivable account of Party A in accordance with the provisions of Article 2.2.

3. Tax of Transfer

3.1 Taxes incurred based on transfer of the target equity shall be assumed by the statutory tax paying obligator in accordance with relevant tax laws and regulations.

3.2 The business registration fee, equity transfer witness fee and other government expenses incurred based on transfer of the target equity shall be assumed by the Company.

4. Representation and Warranty of the Transferor

Party A made the following representation and warranty to Party B on the date of execution of the Agreement, the date of effectiveness of the Agreement and the completion date of equity transfer:

4.1 Party A are legal entities lawfully established and existing pursuant to the laws of the People's Republic of China (not including Hong Kong Special Administrative Region, Macao Administrative Region and Taiwan Region for the purpose of the Agreement and hereinafter referred to as China) with the capacity civil rights and conducts needed for executing and performing the Agreement. The Agreement entered into by the Parties hereto is the true meaning of Party A.

4.2 Party A have obtained the authorization and approval from the laws, regulations, rules, normative documents and the Articles of Association on execution of the Agreement and performance of obligations hereunder.

4.3 Party A will not violate the Articles of Association or other institutional documents, applicable laws, regulations and normative documents, any government approval or authorization as well as any contracts, agreements and other legal documents binding upon Party A for execution of the Agreement and performance of the obligations hereunder.

4.4 Party A have complete exclusive right of disposal of the target equity. The target equity do not have any rights pledge or any other warranty rights or any other preemptive rights or other limitations of third-party rights.

4.5 The Company has submitted Party B financial statements and all necessary documents and data as of August 31, 2018 (hereinafter referred to as the financial statements). Party A and Party B hereby recognize that the financial statements correctly reflect the financial standings and other conditions of the Company as of August 31, 2018.

4.6 The financial statements have specified all debts, arrears and outstanding taxes of the Company as of August 31, 2018. Except that, the Company does not have other debts, arrears and outstanding taxes other than regular operation since its registration of establishment;

4.7 The Company has not worked on or participated in any acts against the Chinese laws and regulations possible to make the Company suffer from revocation of business license, fine or other administrative penalties or legal sanctions seriously effecting its businesses for the present and in the future;

4.8 The Company has not concealed or made false/wrong representations on any lawsuits, arbitrations, investigations and administrative procedures that are related to it, closed, in progress or about to start.

5. Representation and Warranty of the Transferee

Party B made the following representation and warranty to the Transferor on the date of execution of the Agreement, the date of effectiveness of the Agreement and the completion date of equity transfer:

5.1 Party B is a real entity lawfully established and existing pursuant to the laws of Hong Kong Special Administrative Region of the People's Republic of China with the capacity civil rights and conducts needed for executing and performing the Agreement. The Agreement entered into by the Parties hereto is the true meaning of Party B.

5.2 Party B have obtained the authorization and approval from the laws, regulations, rules, normative documents and the Articles of Association on execution of the Agreement and performance of obligations hereunder.

5.3 Party B will not violate the Articles of Association or other institutional documents, applicable laws, regulations and normative documents, any government approval or authorization as well as any contracts, agreements and other legal documents binding upon Party B for execution of the Agreement and performance of the obligations hereunder.

5.4 The source of fund for payment of transfer consideration is lawful and Party B promises to perform the obligation of consideration payment truthfully on schedule.

6. Completion of Equity Transfer

6.1 The Parties hereunder shall apply for handling the approval and filing of transfer of the target equity at relevant competent department of the government within 30 days since execution of the Agreement.

6.2 The Parties hereto shall jointly apply to the industrial and commercial registration authority for the registration of the changed object equity, and file a registration with the Asset Management Association of China after the completion of registering the transferred object equity in the name of Party B.

6.3 The Parties hereto shall positively cooperate and facilitate the Company to positively cooperate with handling the approval, filing and business registration procedures for transfer of the target equity, including but not limited to providing necessary documents, proofs and data for handling the procedures.

6.4The Parties hereto confirm that the date of the equity delivery shall be the first day of the following month after the effectiveness of the Agreement. From the date of the equity delivery, Party B shall be the equity holder of the relevant shareholders' rights corresponding to such equity.

7. Liability for Default

7.1 Any party violating any provision of the Agreement or making untrue representations or warranties hereunder shall constitute default. The defaulting party shall be liable for default against the observant party. The liability for default includes but is not limited to continued performance, payment of liquidated damages, compensation for loss and rescission of the Agreement based on the specific situation of default.

7.2 Unless otherwise specified in relevant provisions of the Agreement, the defaulting Party shall compensate for the direct loss incurred to another party out of default, including but not limited to arbitration fee for pursuit of the loss by the observant party (including but not limited to case hearing fee and handling fee, etc.), legal fare (including but not limited to case hearing fee, cost of preservation and execution fee, etc.), evaluation fee, audit fee, attorney fee and travel expense, etc.

8. Governing Law and Dispute Resolution

8.1 Signing, interpretation and performance of the Agreement shall be applicable to the Chinese laws.

8.2 The Parties hereto shall first settle any dispute arising from or related to the Agreement through friendly negotiation. Should negotiation fail, the Parties hereto shall submit to Shenzhen Court of International Arbitration to be arbitrated in accordance with the then effective arbitration rules upon application for arbitration. The arbitration court shall be comprised of 3 members. The arbitral award shall be final and binding upon the Parties hereto. The court shall be opened in Guangzhou.

9. Other Provisions

9.1 The Agreement shall come into force from the date of execution by the Parties hereto.

9.2 The Agreement is made in triplicate, with each party holding one copy. Each copy shall have the same legal effect.

9.3 In the event of any inconsistency between this Agreement and the equity transfer agreement submitted to the Administration for Industry and Commerce, this Agreement shall prevail.

(The remainder of this page is intentionally left blank)

(The remainder of this page is intentionally left blank as the signing page of the *Equity Transfer Agreement*)

Party A: Beijing Trans-Link Investment Co., Ltd.

/s/ Seal of Beijing Trans-Link Investment Co., Ltd.

Party B: Chengdu Puyi Bohui Information Technology Co., Ltd.

/s/ Seal of Chengdu Puyi Bohui Information Technology Co., Ltd.

Target Company: Fanhua Puyi Fund Sales Co., Ltd.

/s/ Seal of Fanhua Puyi Fund Sales Co., Ltd.

Exhibit 10.25

Supplementary Agreement

This *Supplementary Agreement* is signed among the following parties in Chengdu, Sichuan Province, PRC on September 19, 2018:

Party A: Beijing Trans-Link Investment Co.,Ltd.(hereinafter referred to as “the Transferor”)

Unified social credit code: 911101057577391229

Party B: Chengdu Puyi Bohui Information Technology Co., Ltd. (hereinafter referred to as “the Transferee”)

Unified social credit code: 91510100594666757E

Target Company: Fanhua Puyi Fund Sales Co., Ltd.

Unified social credit code: 91510108564471131K

Whereas,

1. Party A and Party B signed *the Equity Transfer Agreement* (hereinafter referred to as “the Master Agreement”) on September 3, 2018, under which, Party A agreed to transfer to Party B the equity, i.e. the Target Company’s 15.41% shareholding held by Party A, and Party B agreed to acquire such equity.

In accordance with provisions of laws, rules, regulations and other normative documents including *the Company Law of the People’s Republic of China*, *the Contract Law of the People’s Republic of China*, etc., the parties hereto, through friendly negotiation, have concluded this *Supplementary Agreement* on the matter of transferring equity of the aforesaid company, for joint compliance.

1. Delivery of Equity

1.1 The parties hereto shall apply to the competent government authorities for going through procedures of examination, approval & filing of the target equity transferred.

1.2 The parties hereto shall jointly apply to the Administration for Industry & Commerce for going through procedures of registering the change of target equity and transferring & registering the ownership of target equity to Party B's name.

1.3 The parties hereto have confirmed that the equity shall be delivered on September 3, 2018 and that Party B will become the corresponding right owner of relevant stockholder's equity from the date of equity delivery.

2. Miscellaneous

2.1 This *Supplementary Agreement* shall take effect from the date on which it is signed and affixed with seal of the parties hereto; in case of any discrepancy between this *Supplementary Agreement* and the Master Agreement, the former shall prevail; for any matter uncovered herein, the parties hereto shall follow the Master Agreement.

2.2 This *Supplementary Agreement* is made in triplicate, with each party holding one with the equal legal force.

(The remainder of this page is intentionally left blank)

Party A: Beijing Trans-Link Investment Co., Ltd.
/s/ Seal of Beijing Trans-Link Investment Co., Ltd.

Party B: Chengdu Puyi Bohui Information Technology Co., Ltd.
/s/ Seal of Chengdu Puyi Bohui Information Technology Co., Ltd.

Target Company: Fanhua Puyi Fund Sales Co., Ltd.
/s/ Seal of Fanhua Puyi Fund Sales Co., Ltd.

Exhibit 10.26

Execution Version

PURCHASE AGREEMENT

This Purchase Agreement (this "Agreement"), dated as of September 5, 2018 (the "Signing Date"), is by and between Fanhua Inc, an exempted company incorporated under the laws of the Cayman Islands (the "Purchaser"), and Puyi Inc., an exempted company incorporated under the laws of the Cayman Islands (the "Company"). The Purchaser and the Company are sometimes herein referred to each as a "Party," and collectively as the "Parties."

W I T N E S S E T H:

WHEREAS, the Company and the Purchaser desire to provide for the allotment, issuance, sale and purchase of the number of ordinary shares, par value US$0.001 per share, each in the capital of the Company (the "Ordinary Shares"), on the terms and conditions set forth in this Agreement; and

WHEREAS, the Company and the Purchaser desire to make certain representations, warranties, covenants and agreements in connection with the issuance, sale and purchase and related transactions contemplated by this Agreement.

NOW, THEREFORE, in consideration of the foregoing and the mutual representations, warranties, covenants and agreements herein contained, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound, the Company and the Purchaser agree as follows:

ARTICLE I

PURCHASE AND SALE

Section 1.1 Issuance, Sale and Purchase of Shares. Subject to the terms and conditions of this Agreement, and in reliance upon the representations and warranties set forth herein, the Company agrees to allot, issue and sell to the Purchaser free and clear of any pledge, mortgage, security interest, encumbrance, lien, charge, assessment, claim or restriction of any kind or nature other than those imposed by the Memorandum and Articles of Association of the Company, and the Purchaser agrees to purchase from the Company and subscribe for, 4,033,600 Ordinary Shares (the "Purchase Shares").

Section 1.2 Purchase Price. The total consideration payable by the Purchaser to the Company (the "Purchase Price") shall be US$1,468,976.80.

Section 1.3 Allotment and Payment.

(a) The Company shall deliver or cause to be delivered to the Purchaser a copy of the Company's updated register of members reflecting such Purchaser's ownership of the Purchase Shares no later than 30 Days from the Signing Date.

(b) The Purchaser shall deliver the Purchase Price to the Company by wire transfer in immediately available funds no later than 180 Days from the Signing Date.

(c) The Company shall use its best effort to cause the register of members of the Company be updated to reflect the Purchase Shares being allotted to the Purchaser so that the Purchaser shall have the rights of a shareholder of the Company and have full title and rights to the Purchase Shares, including but not limited to, the rights to dividends and distributions, voting rights, rights of disposal and entitlements to any and all economic benefits.

ARTICLE II

REPRESENTATIONS AND WARRANTIES

Section 2.1 Representations and Warranties of the Company. The Company hereby represents and warrants to the Purchaser as of the date hereof and as of the Signing Date, as follows:

(a) Organization and Authority.

(i) The Company and each of its Subsidiaries is an entity duly incorporated or otherwise organized, validly existing and in good standing under the laws of the jurisdiction of its incorporation, with the requisite power and authority to own and use its properties and assets and to carry on its business in all material respects as is currently conducted.

(ii) The Company has all necessary corporate power and authority, under its Memorandum and Articles of Associationand any applicable laws,to enter into this Agreement and to perform its obligations hereunder. The execution and delivery by the Company of this Agreement and the performance of its obligations hereunder has been duly authorized by all requisite action on the part of the Company. This Agreement has been duly executed by the Company and, assuming the authorization, execution and delivery by the Purchaser, constitutes the valid and legally binding obligations of the Company, enforceable in accordance with its respective terms and conditions, except (i) as limited by applicable bankruptcy, insolvency, reorganization, moratorium, and other laws of general application affecting enforcement of creditors' rights generally, and (ii) as limited by laws relating to the availability of specific performance, injunctive relief, or other equitable remedies.

(b) Capitalization. The authorized share capital of the Company is US$2,000,000 divided into 2,000,000,000 Ordinary Shares with a par value of US$0,001 each. As of the date of this Agreement, 80,000,000 Ordinary Shares are issued, and there are no options, warrants or other rights, agreements, arrangements or commitments of any character relating to the issued or unissued Ordinary Shares in the capital of the Company or any of its Subsidiaries or obligating the Company or any of its Subsidiaries to issue any Ordinary Shares in capital of, or other equity interests in, the Company or any of its Subsidiaries.

(c) Due Issuance of the Purchase Shares. The issuance and allotment of the Purchase Shares have been duly authorized by and on behalf of the Company. The Purchase Shares, when an entry has been made on the register of members of the Company to reflect such Purchase Shares as being validly issued, shall be free and clear of any pledge, mortgage, security interest, encumbrance, lien, charge, assessment, claim or restriction of any kind or nature.

(d) Non-contravention; Compliance with Laws. Neither the execution and the delivery of this Agreement, nor the consummation of the transactions contemplated hereby, in each case after approval by the Company Board, will (i) violate any provision of the Company's organizational documents, as amended to date; (ii) violate or conflict with or result in a breach of any law, regulation, order, writ, injunction or decree of any court, arbitrator or governmental instrumentality to which the Company is bound; or (iii) violate or be in conflict with, or constitute a default (or an event which, with notice or lapse of time or both, would constitute a default) under, or entitle any party to terminate any or all of the provisions of, or cause the acceleration of or entitle any party to accelerate the performance required by, or cause the acceleration of or entitle any party to accelerate the maturity of any debt or obligation pursuant to, any contract, agreement, arrangement, commitment or restriction of any kind to which the Company is a party or by which the Company is bound.

(e) Litigation. There is no action, suit, inquiry, notice of proceeding, or investigation by or against the Company or any of its Subsidiaries or affecting the business or any of the assets of the Company or any of its Subsidiaries.

(f) No Other Representations or Warranties. Except for the representations and warranties as aforesaid, the Company makes no express or implied representation or warranty to the Purchaser.

Section 2.2 Representations and Warranties of the Purchaser. The Purchaser hereby represents and warrants to the Company as of the date hereof and as of the Signing Date, as follows:

(a) Due Formation. The Purchaser is a company duly incorporated, validly existing and in good standing under the laws of its place of incorporation, with full power and authority to own and operate and to carry on its business in the places and in the manner as currently conducted.

(b) Authority. The Purchaser has full power and authority to enter into, execute and deliver this Agreement and each agreement, certificate, document and instrument to be executed and delivered by the Purchaser pursuant to this Agreement and to perform its obligations hereunder. The execution and delivery by the Purchaser of this Agreement and the performance by the Purchaser of its obligations hereunder has been duly authorized by all requisite actions on its part.

(c) Valid Agreement. This Agreement has been duly executed and delivered by the Purchaser and constitutes the legal, valid and binding obligation of the Purchaser, enforceable against it in accordance with its terms, except (i) as limited by applicable bankruptcy, insolvency, reorganization, moratorium, and other laws of general application affecting enforcement of creditors' rights generally, and (ii) as limited by laws relating to the availability of specific performance, injunctive relief, or other equitable remedies.

(d) Consents. Neither the execution and delivery by the Purchaser of this Agreement nor the consummation by it of any of the transactions contemplated hereby nor the performance by the Purchaser of this Agreement in accordance with its terms requires the consent, approval, order or authorization of, or registration with, or the giving of notice to, any Governmental Authority or any third party, except as have been obtained, made or given.

(e) No Conflict. Neither the execution and delivery by Purchaser of this Agreement, nor the consummation by it of any of the transactions contemplated hereby, nor compliance by Purchaser with any of the terms and conditions hereof will (i) violate any provision of the Purchaser's articles of association or by-laws, in each case as amended to date; (ii) violate or conflict with or result in a breach of any law, regulation, order, writ, injunction or decree of any court, arbitrator or governmental instrumentality to which the Purchaser is bound; or (iii) violate or be in conflict with, or constitute a default (or an event which, with notice or lapse of time or both, would constitute a default) under, or entitle any party to terminate any or all of the provisions of, or cause the acceleration of or entitle any party to accelerate the performance required by, or cause the acceleration of or entitle any party to accelerate the maturity of any debt or obligation pursuant to, any contract, agreement, arrangement, commitment or restriction of any kind to which the Purchaser is a party or by which the Purchaser is bound.

(f) Financing. The Purchaser has sufficient funds available to it to purchase all of the Purchase Shares pursuant to this Agreement.

ARTICLE III

COVENANTS

Section 3.1 Further Assurances. From the date of this Agreement, the Parties shall use their commercially reasonable efforts to fulfill or obtain the fulfillment of the conditions precedent to the consummation of the transactions contemplated hereby.

Section 3.2 Obligations of the Purchaser. The Purchaser agrees to cooperate with the Company as reasonably requested by the Company in connection with the preparation and filing of the registration documents.

Section 3.3 Indemnification. Each of the Company and the Purchaser (an "Indemnifying Party") shall indemnify and hold each other and their directors, officers, employees, advisors and agents (collectively, the "Indemnified Party") harmless from and against any losses, claims, damages, fines, expenses and liabilities of any kind or nature whatsoever, including but not limited to any investigative, legal and other expenses incurred in connection with, and any amounts paid in settlement of, any pending or threatened legal action or proceeding, and any taxes or levies that may be payable by such person by reason of the indemnification of any indemnifiable loss hereunder (collectively, "Losses") resulting from or arising out of: (a) the breach of any representation or warranty of such Indemnifying Party contained in this Agreement or in any schedule or exhibit hereto; or (b) the violation or nonperformance, partial or total, of any covenant or agreement of such Indemnifying Party contained in this Agreement for reasons other than gross negligence or willful misconduct of such Indemnified Party. In calculating the amount of any Losses of an Indemnified Party hereunder, there shall be subtracted the amount of any insurance proceeds and third-party payments received by the Indemnified Party with respect to such Losses, if any.

ARTICLE IV

MISCELLANEOUS

Section 4.1 Governing Law. This Agreement and the rights and obligations of the parties under it shall be governed by, and construed and enforced in accordance with, the laws of Hong Kong Special Administrative Region, without giving effect to the rules and principles of conflicts of laws thereof.

Section 4.2 Dispute Resolution. Any dispute, controversy or claim (each, a "Dispute") arising out of or relating to this Agreement, or the interpretation, performance breach, termination, validity or invalidity thereof, shall be referred to arbitration upon the demand of any Party to the dispute with notice (the "Arbitration Notice") to the other Parties.

(i) The Dispute shall be settled in Hong Kong in a proceeding conducted in English by one (1) arbitrator from the Hong Kong International Arbitration Centre in accordance with the Hong Kong International Arbitration Centre Administered Arbitration Rules (the "HKIAC Rules") in force when the Arbitration Notice is submitted in accordance with the HKIAC Rules.

(ii) Each party to the arbitration shall cooperate with each other party to the arbitration in making full disclosure of and providing complete access to all information and documents reasonably requested by such other party in connection with such arbitral proceedings, subject only to any confidentiality obligations binding on such party.

(iii) The award of the arbitral tribunal shall be final and binding upon the parties thereto, and the prevailing party may apply to a court of competent jurisdiction for enforcement of such award.

(iv) During the course of the arbitral tribunal's adjudication of the Dispute, this Agreement shall continue to be performed except with respect to the part in dispute and under adjudication.

Section 4.3 Amendment. This Agreement shall not be amended, changed or modified, except by another agreement in writing executed by the Parties hereto.

Section 4.4 Binding Effect. This Agreement shall inure to the benefit of, and be binding upon, each of the Company and the Purchaser and their respective heirs, successors and permitted assigns and legal representatives.

Section 4.5 Assignment. Neither this Agreement nor any of the rights, duties or obligations hereunder may be assigned by the Company or the Purchaser without the express written consent of the other Parties.

Section 4.6 Notices. All notices, requests, demands, and other communications under this Agreement shall be in writing and shall be deemed to have been duly given on the date of actual delivery if delivered personally to the Party or Parties to whom notice is to be given, on the date sent if sent by telecopier, tested telex or prepaid telegram, on the next Business Day following delivery if sent by courier or on the day of attempted delivery by postal service if mailed by registered or certified mail, return receipt requested, postage paid, and properly addressed as follows:

If to Purchaser, at:

Fanhua Inc.
27F, Pearl River Tower,
No. 15 West Zhujiang Road, Tianhe District
Guangzhou, Guangdong 510623,
People's Republic of China
Attn: Peng Ge, Chief Financial Officer

If to the Company, at: Puyi Inc.
42F, Pearl River Tower,
No. 15 West Zhujiang Road, Tianhe District
Guangzhou, Guangdong 510623,
People's Republic of China
Attn: Yu Haifeng, Chief Executive Officer

Any Party may change its address for purposes of this Section 4.7 by giving the other Parties hereto written notice of the new address in the manner set forth above.

Section 4.7 Entire Agreement. This Agreement constitutes the entire understanding and agreement between the Parties hereto with respect to the matters covered hereby, and all prior agreements and understandings, oral or in writing, if any, between the Parties with respect to the matters covered hereby are merged and superseded by this Agreement.

Section 4.8 Severability. If any term, provision, covenant or restriction of this Agreement is held by a court of competent jurisdiction to be invalid, illegal, void or unenforceable, the remainder of the terms, provisions, covenants and restrictions set forth herein shall remain in full force and effect and shall in no way be affected, impaired or invalidated, and the parties hereto shall use their commercially reasonable efforts to find and employ an alternative means to achieve the same or substantially the same result as that contemplated by such term, provision, covenant or restriction. It is hereby stipulated and declared to be the intention of the parties that they would have executed the remaining terms, provisions, covenants and restrictions without including any of such that may be hereafter declared invalid, illegal, void or unenforceable.

Section 4.9 Fees and Expenses. Each of the parties hereto shall pay its own fees and expenses incurred in connection with this Agreement or otherwise.

Section 4.10 Public Announcements. None of the Parties to this Agreement shall make, or cause to be made, any press release or public announcement in respect of this Agreement or the transactions contemplated by this Agreement or otherwise communicate with any news media without the prior written consent of the Company.

Section 4.11 Headings. The headings of the various articles and sections of this Agreement are inserted merely for the purpose of convenience and do not expressly or by implication limit, define or extend the specific terms of the section so designated.

Section 4.12 Execution in Counterparts. For the convenience of the Parties and to facilitate execution, this Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original, but all of which together shall constitute but one and the same instrument.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed as of the day and year first above written.

Fanhua Inc.

By: /s/ Ge Peng
Name: Ge Peng
Title: Director

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed as of the day and year first above written.

Puyi Inc.

By: /s/ Yu Haifeng
Name: Yu Haifeng
Title: Director

Puyi Inc.

2018 Share Incentive Plan

ARTICLE 1

PURPOSE

The purpose of the Plan is to promote the success and enhance the value of Puyi Inc., an exempted company formed under the laws of the Cayman Islands (the "Company"), by linking the personal interests of the Directors, Employees, and Consultants to those of the Company's shareholders and by providing such individuals with an incentive for outstanding performance to generate superior returns to the Company's shareholders.

ARTICLE 2

DEFINITIONS AND CONSTRUCTION

Wherever the following terms are used in the Plan, they shall have the meanings specified below. The singular pronoun shall include the plural where the context so indicates.

2.1 "Applicable Laws" means the legal requirements relating to the Plan and the Awards under applicable provisions of the corporate, securities, tax and other laws, rules, regulations and government orders, and the rules of any applicable stock exchange or national market system, of any jurisdiction applicable to Awards granted to residents therein.

2.2 "Award" means an Option, Restricted Share, Restricted Share Units or Other Share Award granted to a Participant pursuant to the Plan.

2.3 "Award Agreement" means any written agreement, contract, or other instrument or document evidencing an Award, including through electronic medium.

2.4 "Board" means the Board of Directors of the Company.

2.5 "Cause" with respect to a Participant means (unless otherwise expressly provided in the applicable Award Agreement, or another applicable contract with the Participant that defines such term for purposes of determining the effect that a "for cause" termination has on the Participant's Awards) a termination of employment or service based upon a finding by the Service Recipient, acting in good faith and based on its reasonable belief at the time, that the Participant:

(a) has been negligent in the discharge of his or her duties to the Service Recipient, has refused to perform stated or assigned duties or is incompetent in or (other than by reason of a disability or analogous condition) incapable of performing those duties;

(b) has been dishonest or committed or engaged in an act of theft, embezzlement or fraud, a breach of confidentiality, an unauthorized disclosure or use of inside information, customer lists, trade secrets or other confidential information;

(c) has breached a fiduciary duty, or willfully and materially violated any other duty, law, rule, regulation or policy of the Service Recipient, or has been convicted of, or plead guilty or nolo contendere to, a felony or misdemeanor (other than minor traffic violations or similar offenses);

(d) has materially breached any of the provisions of any agreement with the Service Recipient;

(e) has engaged in unfair competition with, or otherwise acted intentionally in a manner injurious to the reputation, business or assets of, the Service Recipient; or

(f) has improperly induced a vendor or customer to break or terminate any contract with the Service Recipient or induced a principal for whom the Service Recipient acts as agent to terminate such agency relationship.

A termination for Cause shall be deemed to occur (subject to reinstatement upon a contrary final determination by the Committee) on the date on which the Service Recipient first delivers written notice to the Participant of a finding of termination for Cause.

2.6 "Code" means the Internal Revenue Code of 1986 of the United States, as amended.

2.7 "Committee" means a committee of the Board described in Article 11.

2.8 "Consultant" means any consultant or adviser if: (a) the consultant or adviser renders bona fide services to a Service Recipient; (b) the services rendered by the consultant or adviser are not in connection with the offer or sale of securities in a capital-raising transaction and do not directly or indirectly promote or maintain a market for the Company's securities; and (c) the consultant or adviser is a natural person who has contracted directly with the Service Recipient to render such services.

2.9 “Corporate Transaction”, unless otherwise defined in an Award Agreement, means any of the following transactions, provided, however, that the Committee shall determine under (d) and (e) whether multiple transactions are related for purposes of determining whether a series of transactions has occurred, and its determination shall be final, binding and conclusive:

(a) an amalgamation, arrangement or consolidation or scheme of arrangement (i) in which the Company is not the surviving entity, except for a transaction the principal purpose of which is to change the jurisdiction in which the Company is incorporated or (ii) following which the holders of the voting securities of the Company do not continue to hold more than 50% of the combined voting power of the voting securities of the surviving entity;

(b) the sale, transfer or other disposition of all or substantially all of the assets of the Company;

(c) the complete liquidation or dissolution of the Company;

(d) any reverse takeover or series of related transactions culminating in a reverse takeover (including, but not limited to, a tender offer followed by a reverse takeover) in which the Company is the surviving entity but (A) the Company’s equity securities outstanding immediately prior to such takeover are converted or exchanged by virtue of the takeover into other property, whether in the form of securities, cash or otherwise, or (B) in which securities possessing more than fifty percent (50%) of the total combined voting power of the Company’s outstanding securities are transferred to a person or persons different from those who held such securities immediately prior to such takeover or the initial transaction culminating in such takeover, but excluding any such transaction or series of related transactions that the Committee determines shall not be a Corporate Transaction; or

(e) acquisition in a single or series of related transactions by any person or related group of persons (other than the Company or by a Company-sponsored employee benefit plan) of beneficial ownership (within the meaning of Rule 13d-3 of the Exchange Act) of securities possessing more than fifty percent (50%) of the total combined voting power of the Company’s outstanding securities but excluding any such transaction or series of related transactions that the Committee determines shall not be a Corporate Transaction.

2.10 “Director” means a member of the Board or a member of the board of directors of any Subsidiary of the Company.

2.11 “Disability”, unless otherwise defined in an Award Agreement, means that the Participant qualifies to receive long-term disability payments under the Service Recipient’s long-term disability insurance program, as it may be amended from time to time, to which the Participant provides services regardless of whether the Participant is covered by such policy. If the Service Recipient to which the Participant provides service does not have a long-term disability plan in place, “Disability” means that a Participant is unable to carry out the responsibilities and functions of the position held by the Participant by reason of any medically determinable physical or mental impairment for a period of not less than ninety (90) consecutive days. A Participant will not be considered to have incurred a Disability unless he or she furnishes proof of such impairment sufficient to satisfy the Committee in its discretion.

2.12 “Effective Date” shall have the meaning set forth in Section 12.1.

2.13 “Employee” means any person, including an officer or a Director, who is in the employment of a Service Recipient, subject to the control and direction of the Service Recipient as to both the work to be performed and the manner and method of performance. The payment of a director’s fee by a Service Recipient shall not be sufficient to constitute “employment” by the Service Recipient.

2.14 “Exchange Act” means the Securities Exchange Act of 1934 of the United States, as amended.

2.15 “Fair Market Value” means, as of any date, the value of Shares determined as follows:

(a) If the Shares are listed on one or more established stock exchanges or national market systems, including without limitation, the New York Stock Exchange or the NASDAQ Stock Market, its Fair Market Value shall be the closing sales price for such shares (or the closing bid, if no sales were reported) as quoted on the principal exchange or system on which the Shares are listed (as determined by the Committee) on the date of determination (or, if no closing sales price or closing bid was reported on that date, as applicable, on the last trading date such closing sales price or closing bid was reported), as reported on the website maintained by such exchange or market system or such other source as the Committee deems reliable; or

(b) In the absence of an established market for the Shares of the type described in (a) above, the Fair Market Value thereof shall be determined by the Committee in good faith and in its discretion by reference to (i) the placing price of the latest private placement of the Shares and the development of the Company’s business operations and the general economic and market conditions since such latest private placement, (ii) other third party transactions involving the Shares and the development of the Company’s business operation and the general economic and market conditions since such transaction, (iii) an independent valuation of the Shares, or (iv) such other methodologies or information as the Committee determines to be indicative of Fair Market Value and in compliance with Section 409A of the Code.

2.16 “Group Entity” means any of the Company and Subsidiaries.

2.17 “Incentive Share Option” means an Option that meets the requirements of Section 422 of the Code or any successor provision thereto, and which is intended by the Committee to constitute an Incentive Share Option.

2.18 “Independent Director” means a Director of the Company who is a Non-Employee Director and, if the Shares or other securities representing the Shares are listed on one or more stock exchange, a Director of the Company who meets the independence standards under the applicable corporate governance rules of the stock exchange(s).

2.19 “Non-Employee Director” means a member of the Board who qualifies as a “Non-Employee Director” as defined in Rule 16b-3(b)(3) of the Exchange Act, or any successor definition adopted by the Board.

2.20 “Non-Qualified Share Option” means an Option that is not an Incentive Share Option.

2.21 “Option” means a right granted to a Participant pursuant to Article 5 of the Plan to purchase a specified number of Shares at a specified price during specified time periods. An Option may be either an Incentive Share Option or a Non-Qualified Share Option.

2.22 "Other Share Award" means an Award granted pursuant to Article 8.

2.23 "Participant" means a person who, as a Director, Consultant or Employee, has been granted an Award pursuant to the Plan.

2.24 "Parent" means a parent corporation under Section 424(e) of the Code.

2.25 "Plan" means this Puyi Inc. 2018 Share Incentive Plan, as amended and/or restated from time to time.

2.26 "Restricted Share" means a Share awarded to a Participant pursuant to Article 6 that is subject to certain restrictions and may be subject to risk of forfeiture.

2.27 "Restricted Share Unit" means the right granted to a Participant pursuant to Article 7 to receive a Share (or, to the extent set forth in the Award Agreement, cash) at a future date.

2.28 "Securities Act" means the Securities Act of 1933 of the United States, as amended.

2.29 "Service Recipient" means the Company or Subsidiary to which a Participant provides services as an Employee, a Consultant or a Director.

2.30 "Share" means the ordinary shares of the Company, par value US$0.001 per share, and such other securities of the Company that may be substituted for Shares pursuant to Article 10.

2.31 "Subsidiary" means any corporation or other entity of which a majority of the outstanding voting shares or voting power is beneficially owned directly or indirectly by the Company.

2.32 "Trading Date" means the closing of the first sale to the general public of the Shares pursuant to a registration statement filed with and declared effective by the U.S. Securities and Exchange Commission under the Securities Act.

ARTICLE 3

SHARES SUBJECT TO THE PLAN

3.1 Number of Shares.

(a) Subject to the provisions of Article 10 and Section 3.1(b), the maximum aggregate number of Shares which may be issued pursuant to all Awards (including Incentive Share Options) shall be 16,806,720 Shares.

(b) To the extent that an Award (i) terminates, expires, is forfeited or lapses for any reason or (ii) is settled in cash, any Shares subject to the Award shall again be available for the grant of an Award pursuant to the Plan. To the extent permitted by Applicable Laws, Shares issued in assumption of, or in substitution for, any outstanding awards of any entity acquired in any form or combination by a Group Entity shall not be counted against Shares available for grant pursuant to the Plan. Shares delivered by the Participant or withheld by the Company upon the exercise of any Award under the Plan, in payment of the exercise price thereof or tax withholding thereon, may again be optioned, granted or awarded hereunder. If any Restricted Shares are repurchased by the Company, such Shares may again be optioned, granted or awarded hereunder. Notwithstanding the provisions of this Section 3.1(b), no Shares may again be optioned, granted or awarded if such action would cause an Incentive Share Option to fail to qualify as an incentive share option under Section 422 of the Code.

3.2 Shares Distributed. Any Shares distributed pursuant to an Award may consist, in whole or in part, of authorized and unissued Shares, treasury Shares (subject to Applicable Laws) or Shares purchased on the open market. Additionally, at the discretion of the Committee, any Shares distributed pursuant to an Award may be represented by American Depository Shares. If the number of Shares represented by an American Depository Share is other than on a one-to-one basis, the limitations of Section 3.1 shall be proportionately adjusted to reflect the distribution of American Depository Shares in lieu of Shares in such a manner as to not permit the granting of American Depository Shares, on an adjusted basis, in excess of the limitations set forth in Section 3.1.

ARTICLE 4

ELIGIBILITY AND PARTICIPATION

4.1 Eligibility. Persons eligible to participate in this Plan include Employees, Consultants, and Directors, as determined by the Committee.

4.2 Participation. Subject to the provisions of the Plan, the Committee may, from time to time, select from among all eligible individuals, those to whom Awards shall be granted and shall determine the nature and amount of each Award. No individual shall have any right to be granted an Award pursuant to this Plan.

ARTICLE 5

OPTIONS

5.1 General. The Committee is authorized to grant Options to Participants on the following terms and conditions:

(a) Exercise Price. The exercise price per Share subject to an Option shall be determined by the Committee and set forth in the Award Agreement which may be a fixed price or a variable price related to the Fair Market Value of the Shares; provided, however, for any Participant subject to U.S. tax laws, the exercise price of an Option shall be equal to the Fair Market Value on the date of grant. The exercise price per Share subject to an Option may be amended or adjusted in the absolute discretion of the Committee, the determination of which shall be final, binding and conclusive. For the avoidance of doubt, to the extent not prohibited by Applicable Laws or any exchange rule, a downward adjustment of the exercise prices of Options mentioned in the preceding sentence shall be effective without the approval of the Company's shareholders or the approval of the affected Participants.

(b) Time and Conditions of Exercise. The Committee shall determine the time or times at which an Option may be exercised in whole or in part, including exercise prior to vesting; provided that the term of any Option granted under the Plan shall not exceed ten years, except as provided in Section 13.1. The Committee shall also determine any conditions, if any, that must be satisfied before all or part of an Option may be exercised.

(c) Payment. The Committee shall determine the methods by which the exercise price of an Option may be paid, the form of payment, including, without limitation (i) cash or check denominated in U.S. Dollars, (ii) to the extent permissible under the Applicable Laws, cash or check in Chinese Renminbi, (iii) cash or check denominated in any other local currency as approved by the Committee, (iv) Shares held for such period of time as may be required by the Committee in order to avoid adverse financial accounting consequences and having a Fair Market Value on the date of delivery equal to the aggregate exercise price of the Option or exercised portion thereof, (v) after the Trading Date, the delivery of a notice that the Participant has placed a market sell order with a broker with respect to Shares then issuable upon exercise of the Option, and that the broker has been directed to pay a sufficient portion of the net proceeds of the sale to the Company in satisfaction of the Option exercise price; provided that payment of such proceeds is then made to the Company upon settlement of such sale, (vi) other property acceptable to the Committee with a Fair Market Value equal to the exercise price, or (vii) any combination of the foregoing. Notwithstanding any other provision of the Plan to the contrary, no Participant who is a member of the Board or an "executive officer" of the Company within the meaning of Section 13(k) of the Exchange Act shall be permitted to pay the exercise price of an Option in any method which would violate Section 13(k) of the Exchange Act.

(d) Effects of Termination of Employment or Service on Options. Unless otherwise provided in the Award Agreement, termination of employment or service shall have the following effects on Options granted to the Participants:

(i) Dismissal for Cause. If a Participant's employment by or service to the Service Recipient is terminated by the Service Recipient for Cause, the Participant's Options will terminate upon such termination, whether or not the Option is then vested and/or exercisable;

(ii) Death or Disability. If a Participant's employment by or service to the Service Recipient terminates as a result of the Participant's death or Disability:

(a) the Participant (or his or her legal representative or beneficiary, in the case of the Participant's Disability or death, respectively), will have until the date that is 12 months after the Participant's termination of employment to exercise the Participant's Options (or portion thereof) to the extent that such Options were vested and exercisable on the date of the Participant's termination of employment on account of death or Disability;

(b) the Options, to the extent not vested and exercisable on the date of the Participant's termination of employment or service, shall terminate upon the Participant's termination of employment or service on account of death or Disability; and

(c) the Options, to the extent exercisable for the 12-month period following the Participant's termination of employment or service and not exercised during such period, shall terminate at the close of business on the last day of the 12-month period.

(iii) Other Terminations of Employment or Service. If a Participant's employment by or service to the Service Recipient terminates for any reason other than a termination by the Service Recipient for Cause or because of the Participant's death or Disability:

(a) the Participant will have until the date that is 90 days after the Participant's termination of employment or service to exercise his or her Options (or portion thereof) to the extent that such Options were vested and exercisable on the date of the Participant's termination of employment or service;

(b) the Options, to the extent not vested and exercisable on the date of the Participant's termination of employment or service, shall terminate upon the Participant's termination of employment or service; and

(c) the Options, to the extent exercisable for the 90-day period following the Participant's termination of employment or service and not exercised during such period, shall terminate at the close of business on the last day of the 90-day period.

5.2 Incentive Share Options. Incentive Share Options may be granted to Employees of the Company or a Subsidiary. Incentive Share Options may not be granted to Independent Directors or Consultants. The terms of any Incentive Share Options granted pursuant to the Plan, in addition to the requirements of Section 5.1, must comply with the following additional provisions of this Section 5.2:

(a) Individual Dollar Limitation. The aggregate Fair Market Value (determined as of the time the Option is granted) of all Shares with respect to which Incentive Share Options are first exercisable by a Participant in any calendar year may not exceed $100,000 or such other limitation as imposed by Section 422(d) of the Code, or any successor provision. To the extent that Incentive Share Options are first exercisable by a Participant in excess of such limitation, the excess shall be considered Non-Qualified Share Options.

(b) Exercise Price. The exercise price of an Incentive Share Option shall be equal to the Fair Market Value on the date of grant. However, the exercise price of any Incentive Share Option granted to any individual who, at the date of grant, owns Shares possessing more than ten percent of the total combined voting power of all classes of shares of the Company or any Parent or Subsidiary (a "Ten Percent Holder") may not be less than 110% of Fair Market Value on the date of grant and such Option may not be exercisable for more than five years from the date of grant.

(c) Transfer Restriction. The Participant shall give the Company prompt notice of any disposition of Shares acquired by exercise of an Incentive Share Option within (i) two years from the date of grant of such Incentive Share Option or (ii) one year after the transfer of such Shares to the Participant.

(d) Term. The period during which an Incentive Share Option may be exercised shall be determined by the Committee; provided, however, that no Incentive Share Option shall be exercised later than ten years after its date of grant; provided further, that if an Incentive Share Option shall be granted to a Ten Percent Holder, such option shall not be exercised later than five years after its date of grant.

(e) Expiration of Incentive Share Options. No Award of an Incentive Share Option may be made pursuant to this Plan after the tenth anniversary of the earlier of (i) Board approval of the Plan and (ii) shareholder approval of the Plan.

(e) Right to Exercise. During a Participant's lifetime, an Incentive Share Option may be exercised only by the Participant.

ARTICLE 6

RESTRICTED SHARES

6.1 Grant of Restricted Shares. The Committee, at any time and from time to time, may grant Restricted Shares to Participants as the Committee, in its sole discretion, shall determine. The Committee, in its sole discretion, shall determine the number of Restricted Shares to be granted to each Participant.

6.2 Restricted Shares Award Agreement. Each Award of Restricted Shares shall be evidenced by an Award Agreement that shall specify the period of restriction, the number of Restricted Shares granted, and such other terms and conditions as the Committee, in its sole discretion, shall determine. Unless the Committee determines otherwise, Restricted Shares shall be held by the Company as escrow agent until the restrictions on such Restricted Shares have lapsed.

6.3 Issuance and Restrictions. Restricted Shares shall be subject to such restrictions on transferability and other restrictions as the Committee may impose (including, without limitation, limitations on the right to vote Restricted Shares or the right to receive dividends on the Restricted Shares). These restrictions may lapse separately or in combination at such times, pursuant to such circumstances, in such installments, or otherwise, as the Committee determines at the time of the grant of the Award or thereafter.

6.4 Forfeiture/Repurchase. Except as otherwise determined by the Committee at the time of the grant of the Award or thereafter, upon termination of employment or service during the applicable restriction period, Restricted Shares that are at that time subject to restrictions shall be forfeited or repurchased in accordance with the Award Agreement; provided, however, the Committee may (a) provide in any Restricted Share Award Agreement that restrictions or forfeiture and repurchase conditions relating to Restricted Shares will be waived in whole or in part in the event of terminations resulting from specified causes, and (b) in other cases waive in whole or in part restrictions or forfeiture and repurchase conditions relating to Restricted Shares.

6.5 Certificates for Restricted Shares. Restricted Shares granted pursuant to the Plan may be evidenced in such manner as the Committee shall determine. If certificates representing Restricted Shares are registered in the name of the Participant, certificates must bear an appropriate legend referring to the terms, conditions, and restrictions applicable to such Restricted Shares, and the Company may, at its discretion, retain physical possession of the certificate until such time as all applicable restrictions lapse.

6.6 Removal of Restrictions. Except as otherwise provided in this Article 6, Restricted Shares granted under the Plan shall be released from escrow as soon as practicable after the last day of the period of restriction. The Committee, in its discretion, may accelerate the time at which any restrictions shall lapse or be removed. After the restrictions have lapsed, the Participant shall be entitled to have any legend or legends under Section 6.5 removed from his or her Share certificate, and the Shares shall be freely transferable by the Participant, subject to applicable legal restrictions. The Committee (in its discretion) may establish procedures regarding the release of Shares from escrow and the removal of legends, as necessary or appropriate to minimize administrative burdens on the Company.

ARTICLE 7

7.1 Grant of Restricted Share Units. The Committee, at any time and from time to time, may grant Restricted Share Units to Participants as the Committee, in its sole discretion, shall determine. The Committee, in its sole discretion, shall determine the number of Restricted Share Units to be granted to each Participant.

7.2 Restricted Share Units Award Agreement. Each Award of Restricted Share Units shall be evidenced by an Award Agreement that shall specify any vesting conditions, the number of Restricted Share Units granted, and such other terms and conditions as the Committee, in its sole discretion, shall determine.

7.3 Form and Timing of Payment of Restricted Share Units. At the time of grant, the Committee shall specify the date or dates on which the Restricted Share Units shall become fully vested and non-forfeitable. Upon vesting, the Committee, in its sole discretion, may pay Restricted Share Units in the form of cash, Shares or a combination thereof, in each case, as specified in the Award Agreement.

7.4 Forfeiture. Except as otherwise determined by the Committee at the time of the grant of the Award or thereafter, upon termination of employment or service during the applicable restriction period, Restricted Share Units that are at that time unvested shall be forfeited in accordance with the Award Agreement; *provided*, *however*, the Committee may (a) provide in any Restricted Share Unit Award Agreement that restrictions or forfeiture conditions relating to Restricted Share Units will be waived in whole or in part in the event of terminations resulting from specified causes, and (b) in other cases waive in whole or in part restrictions or forfeiture conditions relating to Restricted Share Units.

ARTICLE 8

OTHER SHARE AWARDS

8.1 Grant of Other Share Awards. Subject to the limitations set forth in the Plan, the Committee is authorized to grant other awards that may be denominated or payable in, valued in whole or in part by reference to, or otherwise based on, or related to, Shares, including without limitation Shares granted as a bonus and not subject to any vesting conditions, dividend equivalents, deferred share units, share purchase rights and Shares issued in lieu of obligations of the Company to pay cash under any compensatory plan or arrangement, subject to such terms as shall be determined by the Committee. The Committee shall determine the terms and conditions of such awards, which may include the right to elective deferral thereof, subject to such terms and conditions as the Committee may specify in its discretion. Any dividends or dividend equivalents with respect to Awards granted under this Plan that are subject to vesting conditions shall be subject to the same vesting conditions as the underlying awards.

8.2 Other Share Awards Award Agreement. Each Other Share Award shall be evidenced by an Award Agreement that shall specify any vesting conditions, the number of Shares subject to such Award, and such other terms and conditions as the Committee, in its sole discretion, shall determine.

8.3 Form and Timing of Payment of Other Share Awards. At the time of grant, the Committee shall specify the date or dates on which the Other Share Award shall become fully vested and non-forfeitable. Upon vesting, the Committee, in its sole discretion, may pay Other Share Awards in the form of cash, Shares or a combination thereof, in each case, as specified in the Award Agreement.

7.4 Forfeiture. Except as otherwise determined by the Committee at the time of the grant of the Award or thereafter, upon termination of employment or service during the applicable restriction period, Other Share Awards that are at that time unvested shall be forfeited in accordance with the Award Agreement; *provided*, *however*, the Committee may (a) provide in any Award Agreement that restrictions or forfeiture conditions relating to the Award will be waived in whole or in part in the event of terminations resulting from specified causes, and (b) in other cases waive in whole or in part restrictions or forfeiture conditions relating to the Award.

ARTICLE 9

PROVISIONS APPLICABLE TO AWARDS

9.1 Award Agreement. Awards under the Plan shall be evidenced by Award Agreements that set forth the terms, conditions and limitations for each Award which may include the term of an Award, the provisions applicable in the event the Participant's employment or service terminates, and the Company's authority to unilaterally or bilaterally amend, modify, suspend, cancel or rescind an Award.

9.2 No Transferability; Limited Exception to Transfer Restrictions.

9.2.1 Limits on Transfer. Unless otherwise expressly provided in (or pursuant to) this Section 9.2, by Applicable Law and by the Award Agreement, as the same may be amended:

(a) all Awards are non-transferable and will not be subject in any manner to sale, transfer, anticipation, alienation, assignment, pledge, encumbrance or charge;

(b) Awards will be exercised only by the Participant; and

(c) amounts payable or shares issuable pursuant to an Award will be delivered only to (or for the account of), and, in the case of Shares, registered in the name of, the Participant.

In addition, the shares shall be subject to the restrictions set forth in the applicable Award Agreement.

9.2.2 Further Exceptions to Limits on Transfer. Subject to Applicable Law and the Award Agreement, the exercise and transfer restrictions in Section 9.2.1 will not apply to:

(a) transfers to the Company or a Subsidiary;

(b) transfers by gift to "immediate family" as that term is defined in SEC Rule 16a-1(e) promulgated under the Exchange Act;

(c) the designation of a beneficiary to receive benefits if the Participant dies or, if the Participant has died, transfers to or exercises by the Participant's beneficiary, or, in the absence of a validly designated beneficiary, transfers by will or the laws of descent and distribution; or

(d) if the Participant has suffered a disability, permitted transfers or exercises on behalf of the Participant by the Participant's duly authorized legal representative; or

(e) subject to the prior approval of the Committee or an executive officer or director of the Company authorized by the Committee, transfer to one or more natural persons who are the Participant's family members or entities owned and controlled by the Participant and/or the Participant's family members, including but not limited to trusts or other entities whose beneficiaries or beneficial owners are the Participant and/or the Participant's family members, or to such other persons or entities as may be expressly approved by the Committee, pursuant to such conditions and procedures as the Committee or may establish. Any permitted transfer shall be subject to the condition that the Committee receives evidence satisfactory to it that the transfer is being made for estate and/or tax planning purposes and on a basis consistent with the Company's lawful issue of securities.

Notwithstanding anything else in this Section 9.2.2 to the contrary, but subject to compliance with all Applicable Laws, Incentive Share Options, Restricted Shares and Restricted Share Units will be subject to any and all transfer restrictions under the Code applicable to such Awards or necessary to maintain the intended tax consequences of such Awards. Notwithstanding clause (b) above but subject to compliance with all Applicable Laws, any contemplated transfer by gift to "immediate family" as referenced in clause (b) above is subject to the condition precedent that the transfer be approved by the Committee in order for it to be effective.

9.3 Beneficiaries. Notwithstanding Section 9.2, a Participant may, in the manner determined by the Committee, designate a beneficiary to exercise the rights of the Participant and to receive any distribution with respect to any Award upon the Participant's death. A beneficiary, legal guardian, legal representative, or other person claiming any rights pursuant to the Plan is subject to all terms and conditions of the Plan and any Award Agreement applicable to the Participant, except to the extent the Plan and Award Agreement otherwise provide, and to any additional restrictions deemed necessary or appropriate by the Committee. If the Participant is married and resides in a community property state, a designation of a person other than the Participant's spouse as his or her beneficiary with respect to more than 50% of the Participant's interest in the Award shall not be effective without the prior written consent of the Participant's spouse. If no beneficiary has been designated or survives the Participant, payment shall be made to the person entitled thereto pursuant to the Participant's will or the laws of descent and distribution. Subject to the foregoing, a beneficiary designation may be changed or revoked by a Participant at any time provided the change or revocation is filed with the Committee.

9.4 Performance Objectives and Other Terms. The Committee, in its discretion, shall set performance objectives or other vesting criteria which, depending on the extent to which they are met, will determine the number or value of the Awards that will be granted or paid out to the Participants.

ARTICLE 10

CHANGES IN CAPITAL STRUCTURE

10.1 Adjustments. In the event of any dividend, share split, combination or exchange of Shares, amalgamation, arrangement or consolidation, spin-off, recapitalization or other distribution (other than normal cash dividends) of Company assets to its shareholders, or any other change affecting the shares of Shares or the share price of a Share, the Committee shall make such proportionate adjustments, if any, as the Committee in its discretion may deem appropriate to reflect such change with respect to (a) the aggregate number and type of shares that may be issued under the Plan (including, but not limited to, adjustments of the limitations in Section 3.1); (b) the terms and conditions of any outstanding Awards (including, without limitation, any applicable performance targets or criteria with respect thereto); and (c) the grant or exercise price per share for any outstanding Awards under the Plan.

10.2 Corporate Transactions. Except as may otherwise be provided in any Award Agreement or any other written agreement entered into by and between the Company and a Participant, upon the occurrence, of a Corporate Transaction, the Committee may, in its sole discretion, provide for (i) any and all Awards outstanding hereunder to terminate at a specific time in the future and shall give each Participant the right to exercise the vested portion of such Awards during a period of time as the Committee shall determine, or (ii) the purchase of any Award for an amount of cash equal to the amount that could have been attained upon the exercise of such Award (and, for the avoidance of doubt, if as of such date the Committee determines in good faith that no amount would have been attained upon the exercise of such Award, then such Award may be terminated by the Company without payment), or (iii) the replacement of such Award with other rights or property selected by the Committee in its sole discretion or the assumption of or substitution of such Award by the successor or surviving corporation, or a Parent or Subsidiary thereof, with appropriate adjustments as to the number and kind of Shares and prices, or (iv) payment of such Award in cash based on the value of Shares on the date of the Corporate Transaction.

10.3 Outstanding Awards — Other Changes. In the event of any other change in the capitalization of the Company or corporate change other than those specifically referred to in this Article 10, the Committee may, in its absolute discretion, make such adjustments in the number and class of shares subject to Awards outstanding on the date on which such change occurs and in the per share grant or exercise price of each Award as the Committee may consider appropriate to prevent dilution or enlargement of rights, subject to Applicable Laws.

10.4 No Other Rights. Except as expressly provided in the Plan, no Participant shall have any rights by reason of any subdivision or consolidation of Shares of any class, the payment of any dividend, any increase or decrease in the number of shares of any class or any dissolution, liquidation, merger, or consolidation of the Company or any other corporation. Except as expressly provided in the Plan or pursuant to action of the Committee under the Plan, and no issuance by the Company of shares of any class, or securities convertible into shares of any class, shall affect, and no adjustment by reason thereof shall be made with respect to, the number of Shares subject to an Award or the grant or exercise price of any Award.

ARTICLE 11

ADMINISTRATION

11.1 Committee. The Plan shall be administered by the Board or a committee of one or more members of the Board (the "Committee") to whom the Board shall delegate the authority to grant or amend Awards to Participants other than any of the Committee members, Independent Directors and executive officers of the Company. Reference to the Committee shall refer to the Board in absence of the Committee.

11.2 Action by the Committee. A majority of the Committee shall constitute a quorum. The acts of a majority of the members present at any meeting at which a quorum is present, and acts approved unanimously in writing by all members of the Committee in lieu of a meeting, shall be deemed the acts of the Committee. Each member of the Committee is entitled to, in good faith, rely or act upon any report or other information furnished to that member by any officer or other employee of a Group Entity, the Company's independent certified public accountants, or any executive compensation consultant or other professional retained by the Company to assist in the administration of the Plan.

11.3 Authority of the Committee. Subject to any specific designation in the Plan, the Committee has the exclusive power, authority and discretion to:

(a) designate Participants to receive Awards;

(b) determine the type or types of Awards to be granted to each Participant;

(c) determine the number of Awards to be granted and the number of Shares to which an Award will relate;

(d) determine the terms and conditions of any Award granted pursuant to the Plan, including, but not limited to, the exercise price, grant price, or purchase price, any restrictions or limitations on the Award, any schedule for lapse of forfeiture restrictions or restrictions on the exercisability of an Award, and accelerations or waivers thereof, and any provisions related to non-competition and recapture of gain on an Award, based in each case on such considerations as the Committee in its sole discretion determines;

(e) determine whether, to what extent, and pursuant to what circumstances an Award may be settled in, or the exercise price of an Award may be paid in, cash, Shares, other Awards, or other property, or an Award may be canceled, forfeited, or surrendered;

(f) prescribe the form of each Award Agreement, which need not be identical for each Participant;

(g) decide all other matters that must be determined in connection with an Award;

(h) establish, adopt, or revise any rules and regulations as it may deem necessary or advisable to administer the Plan;

(i) interpret the terms of, and any matter arising pursuant to, the Plan or any Award Agreement;

(j) amend terms and conditions of Award Agreements; and

(k) make all other decisions and determinations that may be required pursuant to the Plan or as the Committee deems necessary or advisable to administer the Plan, including design and adopt from time to time new types of Awards that are in compliance with Applicable Laws.

11.4 Decisions Binding. The Committee's interpretation of the Plan, any Awards granted pursuant to the Plan, any Award Agreement and all decisions and determinations by the Committee with respect to the Plan are final, binding, and conclusive on all parties.

ARTICLE 12

EFFECTIVE AND EXPIRATION DATE

12.1 Effective Date. The Plan shall become effective as of the date immediately prior to the completion of the initial public offering of the Company (the "Effective Date").

12.2 Expiration Date. The Plan will expire on, and no Award may be granted pursuant to the Plan after, the tenth anniversary of the Effective Date. Any Awards that are outstanding on the tenth anniversary of the Effective Date shall remain in force according to the terms of the Plan and the applicable Award Agreement.

ARTICLE 13

AMENDMENT, MODIFICATION, AND TERMINATION

13.1 Amendment, Modification, and Termination. At any time and from time to time, the Board may terminate, amend or modify the Plan; provided, however, that (a) to the extent necessary to comply with Applicable Laws or stock exchange rules, the Company shall obtain shareholder approval of any Plan amendment in such a manner and to such a degree as required, and (b) shareholder approval is required for any amendment to the Plan that (i) increases the number of Shares available under the Plan (other than any adjustment as provided by Article 10), or (ii) permits the Committee to extend the term of the Plan or the exercise period for an Option beyond ten years from the date of grant; provided, however, shareholder approval shall not be required if the Company follows home country practices and the failure to receive shareholder approval would not violate Applicable Laws or the stock exchange rules.

13.2 Awards Previously Granted. Except with respect to amendments made pursuant to Section 13.1, no termination, amendment, or modification of the Plan shall adversely affect in any material way any Award previously granted pursuant to the Plan without the prior written consent of the Participant.

ARTICLE 14

GENERAL PROVISIONS

14.1 No Rights to Awards. No Participant, Employee, or other person shall have any claim to be granted any Award pursuant to the Plan, and neither the Company nor the Committee is obligated to treat Participants, Employees, and other persons uniformly.

14.2 No Shareholders Rights. No Award gives the Participant any of the rights of a shareholder of the Company unless and until Shares are in fact issued to such person in connection with such Award.

14.3 Taxes. No Shares shall be delivered under the Plan to any Participant until such Participant has made arrangements acceptable to the Committee for the satisfaction of any income and employment tax withholding obligations under Applicable Laws. The Company or any Subsidiary shall have the authority and the right to deduct or withhold, or require a Participant to remit to the Company, an amount sufficient to satisfy all applicable taxes (including the Participant's payroll tax obligations) required or permitted by Applicable Laws to be withheld with respect to any taxable event concerning a Participant arising as a result of this Plan. The Committee may in its discretion and in satisfaction of the foregoing requirement allow a Participant, subject to Applicable Laws, to elect to pay the applicable taxes by (i) having the Company withhold Shares otherwise issuable under an Award (or allow the return of Shares) having a Fair Market Value equal to the sums required to be withheld or (ii) after the Trading Date, the delivery of a notice that the Participant has placed a market sell order with a broker with respect to Shares then issuable upon the exercise, vesting or settlement of the Award, and that the broker has been directed to pay a sufficient portion of the net proceeds of the sale to the Company in satisfaction of the taxes; provided that payment of such proceeds is then made to the Company upon settlement of such sale. Notwithstanding any other provision of the Plan, the number of Shares which may be withheld with respect to the issuance, vesting, exercise or payment of any Award (or which may be repurchased from the Participant of such Award after such Shares were acquired by the Participant from the Company) in order to satisfy any income and payroll tax liabilities applicable to the Participant with respect to the issuance, vesting, exercise or payment of the Award shall, unless specifically approved by the Committee, be limited to the number of Shares which have a Fair Market Value on the date of withholding or repurchase equal to the aggregate amount of such liabilities based on the minimum statutory withholding rates for the applicable income and payroll tax purposes that are applicable to such supplemental taxable income.

14.4 No Right to Employment or Services. Nothing in the Plan or any Award Agreement shall interfere with or limit in any way the right of the Service Recipient to terminate any Participant's employment or services at any time, nor confer upon any Participant any right to continue in the employment or services of any Service Recipient.

14.5 Unfunded Status of Awards. The Plan is intended to be an "unfunded" plan for incentive compensation. With respect to any payments not yet made to a Participant pursuant to an Award, nothing contained in the Plan or any Award Agreement shall give the Participant any rights that are greater than those of a general creditor of the relevant Group Entity.

14.6 Indemnification. To the extent allowable pursuant to Applicable Laws, each member of the Committee or of the Board shall be indemnified and held harmless by the Company from any loss, cost, liability, or expense that may be imposed upon or reasonably incurred by such member in connection with or resulting from any claim, action, suit, or proceeding to which he or she may be a party or in which he or she may be involved by reason of any action or failure to act pursuant to the Plan and against and from any and all amounts paid by him or her in satisfaction of judgment in such action, suit, or proceeding against him or her; provided he or she gives the Company an opportunity, at its own expense, to handle and defend the same before he or she undertakes to handle and defend it on his or her own behalf. The foregoing right of indemnification shall not be exclusive of any other rights of indemnification to which such persons may be entitled pursuant to the Company's Memorandum of Association and Articles of Association, as a matter of law, or otherwise, or any power that the Company may have to indemnify them or hold them harmless.

14.7 Expenses. The expenses of administering the Plan shall be borne by the Group Entities.

14.8 Fractional Shares. No fractional Shares shall be issued and the Committee shall determine, in its discretion, whether cash shall be given in lieu of fractional Shares or whether such fractional Shares shall be eliminated by rounding up or down as appropriate.

14.9 Government and Other Regulations. The obligation of the Company to make payment of awards in Shares or otherwise shall be subject to all Applicable Laws, and to such approvals by government agencies as may be required. The Company shall be under no obligation to register any of the Shares paid pursuant to the Plan under the Securities Act or any other similar law in any applicable jurisdiction. If the Shares paid pursuant to the Plan may in certain circumstances be exempt from registration pursuant to the Securities Act or other Applicable Laws, the Company may restrict the transfer of such Shares in such manner as it deems advisable to ensure the availability of any such exemption.

14.10 Governing Law. The Plan and all Award Agreements shall be construed in accordance with and governed by the laws of the Cayman Islands.

14.11 Section 409A. To the extent that the Committee determines that any Award granted under the Plan is or may become subject to Section 409A of the Code, the Award Agreement evidencing such Award shall incorporate the terms and conditions required by Section 409A of the Code. To the extent applicable, the Plan and the Award Agreements shall be interpreted in accordance with Section 409A of the Code and the U.S. Department of Treasury regulations and other interpretative guidance issued thereunder, including without limitation any such regulation or other guidance that may be issued after the Effective Date. Notwithstanding any provision of the Plan to the contrary, in the event that following the Effective Date the Committee determines that any Award may be subject to Section 409A of the Code and related Department of Treasury guidance (including such Department of Treasury guidance as may be issued after the Effective Date), the Committee may adopt such amendments to the Plan and the applicable Award agreement or adopt other policies and procedures (including amendments, policies and procedures with retroactive effect), or take any other actions, that the Committee determines are necessary or appropriate to (a) exempt the Award from Section 409A of the Code and/or preserve the intended tax treatment of the benefits provided with respect to the Award, or (b) comply with the requirements of Section 409A of the Code and related U.S. Department of Treasury guidance.

14.12 Awards Subject to Clawback. The Awards and any cash payment or Shares delivered pursuant to such an Award are subject to forfeiture, recovery by the Company or other action pursuant to the applicable Award Agreement or any clawback or recoupment policy which the Company may adopt from time to time, including without limitation any such policy which the Company may be required to adopt under the Dodd-Frank Wall Street Reform and Consumer Protection Act and implementing rules and regulations thereunder, or as otherwise required by Applicable Law

Exhibit 21.1

LIST OF SUBSIDIARIES AND CONSOLIDATED VARIABLE INTEREST ENTITIES OF PUYI, INC.

Subsidiaries	**Jurisdiction of Incorporation**
Puyi Group Limited	British Virgin Islands
Puyi Holdings (Hong Kong) Limited (□□□□(□□)□□□□)	Hong Kong
Puyi Management Consulting Co., Ltd.* (□□□□□□□□□□□□□)	PRC

Consolidated Variable Interest Entity ("VIE")	**Jurisdiction of Incorporation**
Chengdu Puyi Bohui Information Technology Co., Ltd.* (□□□□□□□□□□□□□□□□)	PRC

Subsidiary of Consolidated VIE	**Jurisdiction of Incorporation**
Fanhua Puyi Fund Distribution Co., Ltd.* (□□□□□□□□□□□□□□)	PRC
Guangdong Puyi Asset Management Co., Ltd.* (□□□□□□□□□□□□□□)	PRC
Shenzhen Puyi Zhongxiang Information Technology Co., Ltd.* (□□□□□□□□□□□□□□)	PRC
Chongqing Fengyi Management Consulting Co., Ltd.* (□□□□□□□□□□□□□□□□)	PRC
Shenzhen Baoying Factoring Co., Ltd.* (□□□□□□□□□□□□□□)	PRC
Shenzhen Qianhai Zhonghui Huiguan Investment Management Co., Ltd.* (□□□□□□□□□□□□□□□□)	PRC

***** The English name of this subsidiary, consolidated VIE or subsidiary of consolidated VIE, as applicable, has been translated from its Chinese name.

Exhibit 23.1

INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM'S CONSENT

We consent to the inclusion in this Registration Statement of Puyi Inc. on Form F-1 of our report dated October 1, 2018, with respect to our audits of the consolidated financial statements of Puyi Inc. as of June 30, 2018 and 2017 and for the years ended June 30, 2018 and 2017, which report appears in the Prospectus, which is part of this Registration Statement. We also consent to the reference to our Firm under the heading "Experts" in such Prospectus.

/s/ Marcum Bernstein & Pinchuk LLP

Marcum Bernstein & Pinchuk LLP
New York, New York
November 21, 2018

NEW YORK OFFICE ● 7 Penn Plaza ● Suite 830 ● New York, New York ● 10001
Phone 646.442.4845 ● Fax 646.349.5200 ● www.marcumbp.com

Exhibit 23.4

灼识咨询
China Insights Consultancy

86 21 2356 0288
86 21 2356 0299
www.cninsights.com

17 September 2018

Puyi Inc.
Avalon Trust & Corporate Services Ltd.,
Landmark Square,
1st Floor, 64 Earth Close,
PO Box 715, Grand Cayman KY1 1107,
Cayman Islands

RE: Consent of China Insights Consultancy Limited

Dear Sirs/Madams:

We, China Insights Consultancy Limited, understand that Puyi Inc. (the "Company") plans to file a registration statement on Form F-1 (the "Registration Statement") with the United States Securities and Exchange Commission (the "SEC") in connection with its proposed initial public offering (the "Proposed IPO").

We hereby consent to references to our name, information, data and statements from our databases, research reports and amendments thereto, including but not limited to the Chinese version and the English translation of the industry research report titled "Industry Report of the Third Party Wealth Management Industry and Asset Management Industry in China" (the "Report") and any subsequent amendments to the Report, in (i) the Registration Statement of the Company and its subsidiaries and affiliates with the SEC under the Securities Act of 1933, as amended, and the Securities Exchange Act of 1934, as amended, (ii) in any written correspondences with the SEC, (iii) in any other future filings with the SEC by the Company, including, without limitation, filings on Form 20-F, Form 6-K and other SEC filings (collectively, the "SEC Filings"), (iv) on the websites of the Company and its subsidiaries and affiliates, (v) in institutional and retail road shows, other activities and publicity materials in connection with the Proposed IPO, and (vi) in other marketing and fundraising activities and investor relations management following the Proposed IPO. We also hereby consent to filing of this letter as an exhibit to the Registration Statement.

Yours faithfully,

For and on behalf of
China Insights Consultancy Limited

By: /s/ Leon Zhao
Name: Leon Zhao
Position: Executive Director

中国 上海市黄浦区 南京西路399号 明天广场10层
10F, Tomorrow Square, 399 West Nanjing Road, HUANGPU DISTRICT, SHANGHAI, CHINA

Exhibit 23.5

November 21, 2018

Puyi Inc. (the "Company")
No. 15 Zhujiang West Road, Zhujiang New Town, Tianhe,
Guangdong Province
People's Republic of China
+(86) 020 2838 1666

Ladies and Gentlemen:

Pursuant to Rule 438 under the Securities Act of 1933, as amended, I hereby consent to the reference of my name as a director of the Company, effective immediately upon the effectiveness of the Company's registration statement on Form F-1 initially filed by the Company on November 21, 2018 with the U.S. Securities and Exchange Commission.

Sincerely yours,

/s/ Luo Jidong
Name: Luo Jidong

Exhibit 23.6

November 21, 2018

Puyi Inc. (the "Company")
No. 15 Zhujiang West Road, Zhujiang New Town, Tianhe,
Guangdong Province
People's Republic of China
+(86) 020 2838 1666

Ladies and Gentlemen:

Pursuant to Rule 438 under the Securities Act of 1933, as amended, I hereby consent to the reference of my name as a director of the Company, effective immediately upon the effectiveness of the Company's registration statement on Form F-1 initially filed by the Company on November 21, 2018 with the U.S. Securities and Exchange Commission.

Sincerely yours,

/s/ Zhang Jianjun
Name: Zhang Jianjun

Exhibit 99.1

CODE OF BUSINESS CONDUCT AND ETHICS OF

PUYI INC.

(Adopted by the Board of Directors of Puyi Inc. on November 21, 2018, effective upon the effectiveness of its registration statement on Form F-1 relating to its initial public offering)

I. PURPOSE

This Code of Business Conduct and Ethics (this "**Code**") contains general guidelines for conducting the business of Puyi Inc. and its subsidiaries and affiliates (collectively, the "**Company**") consistent with the highest standards of business ethics, and is intended to qualify as a "code of ethics" within the meaning of Section 406 of the Sarbanes-Oxley Act of 2002 and the rules promulgated thereunder. To the extent this Code requires a higher standard than required by commercial practice or applicable laws, rules or regulations, the Company adheres to these higher standards.

This Code is designed to deter wrongdoing and to promote:

- honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
- full, fair, accurate, timely, and understandable disclosure in reports and documents that the Company files with, or submits to, the U.S. Securities and Exchange Commission (the "**SEC**") and in other public communications made by the Company;
- compliance with applicable laws, rules and regulations;
- prompt internal reporting of violations of this Code; and
- accountability for adherence to this Code.

II. APPLICABILITY

This Code applies to all directors, officers and employees of the Company, whether they work for the Company on a full-time, part-time, consultative or temporary basis (each, an "**employee**" and collectively, the "**employees**"). Certain provisions of this Code apply specifically to our chief executive officer, chief financial officer, other chief officers, senior financial officer, controller, senior vice presidents, vice presidents and any other persons who perform similar functions for the Company (each, a "**senior officer**," and collectively, the "**senior officers**").

The Board of Directors of Puyi Inc. (the "**Board**") has appointed Mr. Hu Anlin as the Compliance Officer for the Company (the "**Compliance Officer**"). If you have any questions regarding this Code or would like to report any violation of this Code, please contact the Company's Compliance Officer at huanlin@puyiwm.com

This Code has been adopted by the Board and shall become effective (the "Effective Time") upon the effectiveness of the Company's registration statement on Form F-1 filed by the Company with the SEC relating to the Company's initial public offering.

CONFLICTS OF INTEREST

Identifying Conflicts of Interest

A conflict of interest occurs when an employee's private interest interferes, or appears to interfere, in any way with the interests of the Company as a whole. An employee should actively avoid any private interest that may impact such employee's ability to act in the interests of the Company or that may make it difficult to perform the employee's work objectively and effectively. In general, the following are considered conflicts of interest:

- Competing Business. No employee may be employed by a business that competes with the Company or deprives it of any business.

- Corporate Opportunity. No employee may use corporate property, information or his/her position with the Company to secure a business opportunity that would otherwise be available to the Company. If an employee discovers a business opportunity that is in the Company's line of business through the use of the Company's property, information or position, the employee must first present the business opportunity to the Company before pursuing the opportunity in his/her individual capacity.

- Financial Interests.

  (i) No employee may have any financial interest (ownership or otherwise), either directly or indirectly through a spouse or other family member, in any other business or entity if such interest adversely affects the employee's performance of duties or responsibilities to the Company, or requires the employee to devote time to it during such employee's working hours at the Company;

  (ii) No employee may hold any ownership interest in a privately held company that is in competition with the Company;

  (iii) An employee may hold less than 5% ownership interest in a publicly traded company that is in competition with the Company; provided that if the employee's ownership interest in such publicly traded company increases to 5% or more, the employee must immediately report such ownership to the Compliance Officer;

  (iv) Unless pre-approved by the Compliance Officer, no employee may hold any ownership interest in a company that has a business relationship with the Company if such employee's duties at the Company include managing or supervising the Company's business relations with that company; and

(v) Notwithstanding the other provisions of this Code,

(a) a director or any family member of such director (collectively, "**Director Affiliates**") or a senior officer or any family member of such senior officer (collectively, "**Officer Affiliates**") may continue to hold his/her investment or other financial interest in a business or entity (an "**Interested Business**") that:

(1) was made or obtained either (x) before the Company invested in or otherwise became interested in such business or entity; or (y) before the director or senior officer joined the Company (for the avoidance of doubt, regardless of whether the Company had or had not already invested in or otherwise become interested in such business or entity at the time the director or senior officer joined the Company); or

(2) may in the future be made or obtained by the director or senior officer, provided that at the time such investment or other financial interest is made or obtained, the Company has not yet invested in or otherwise become interested in such business or entity;

provided that such director or senior officer shall disclose such investment or other financial interest to the Board;

(b) an interested director or senior officer shall refrain from participating in any discussion among senior officers of the Company relating to an Interested Business and may not be involved in any proposed transaction between the Company and an Interested Business; and

(c) before any Director Affiliate or Officer Affiliate (i) invests, or otherwise acquires any equity or other financial interest, in a business or entity that is in competition with the Company; or (ii) enters into any transaction with the Company, the related director or senior officer shall obtain prior approval from the Audit Committee of the Board.

For purposes of this Code, a company or other entity is deemed to be "in competition with the Company" if it competes with the Company's wealth management services, corporate finance services and asset management services and any other business in which the Company primarily engages in.

- Loans or Other Financial Transactions. No employee may obtain loans or guarantees of personal obligations from, or enter into any other personal financial transaction with, any company that is a material customer, supplier or competitor of the Company. This guideline does not prohibit arms-length transactions with recognized banks or other financial institutions.

- Service on Boards and Committees. No employee may serve on a board of directors or trustees or on a committee of any entity (whether profit or not-for-profit) whose interests could reasonably be expected to conflict with those of the Company. Employees must obtain prior approval from the Board before accepting any such board or committee position. The Company may revisit its approval of any such position at any time to determine whether an employee's service in such position is still appropriate.

The above is in no way a complete list of situations where conflicts of interest may arise. The following questions might serve as a useful guide in assessing a potential conflict of interest situation not specifically addressed above:

- Is the action to be taken legal?
- Is it honest and fair?
- Is it in the best interests of the Company?

Disclosure of Conflicts of Interest

The Company requires that employees fully disclose any situations that could reasonably be expected to give rise to a conflict of interest. If an employee suspects that he/she has a conflict of interest, or a situation that others could reasonably perceive as a conflict of interest, the employee must report it immediately to the Compliance Officer. Conflicts of interest may only be waived by the Board, or the appropriate committee of the Board, and will be promptly disclosed to the public to the extent required by law and applicable rules of the applicable stock exchange.

Family Members and Work

The actions of family members outside the workplace may also give rise to conflicts of interest because they may influence an employee's objectivity in making decisions on behalf of the Company. If a member of an employee's family is interested in doing business with the Company, the criteria as to whether to enter into or continue the business relationship and the terms and conditions of the relationship must be no less favorable to the Company compared with those that would apply to an unrelated party seeking to do business with the Company under similar circumstances.

Employees are required to report any situation involving family members that could reasonably be expected to give rise to a conflict of interest to their supervisor or the Compliance Officer. For purposes of this Code, "family members" or "members of employee's family" include an employee's spouse, parents, children and siblings, whether by blood, marriage or adoption or anyone residing in such employee's home.

III. GIFTS, MEALS AND ENTERTAINMENT

The giving and receiving of appropriate gifts may be considered common business practice. Appropriate business gifts and entertainment are welcome courtesies designed to build relationships and understanding among business partners. However, gifts and entertainment should never compromise, or appear to compromise, an employee's ability to make objective and fair business decisions.

It is the responsibility of employees to use good judgment in this area. As a general rule, employees may give or receive gifts or entertainment to or from customers or suppliers only if the gift or entertainment is in compliance with applicable law, insignificant in amount and not given in consideration or expectation of any action by the recipient. All gifts and entertainment expenses made on behalf of the Company must be properly accounted for on expense reports.

We encourage employees to submit gifts received to the Company. While it is not mandatory to submit small gifts, gifts of over RMB500 must be submitted immediately to the administration department of the Company.

Bribes and kickbacks are criminal acts, strictly prohibited by law. An employee must not offer, give, solicit or receive any form of bribe or kickback anywhere in the world.

IV. FCPA COMPLIANCE

The U.S. Foreign Corrupt Practices Act ("FCPA") prohibits giving anything of value, directly or indirectly, to officials of foreign governments or foreign political candidates in order to obtain or retain business. A violation of FCPA does not only violate the Company's policy but also constitute a civil or criminal offense under FCPA which the Company is subject to after the Effective Time. No employee shall give or authorize directly or indirectly any illegal payments to government officials of any country. While the FCPA does, in certain limited circumstances, allow nominal "facilitating payments" to be made, any such payment must be discussed with and approved by an employee's supervisor in advance before it can be made.

V. PROTECTION AND USE OF COMPANY ASSETS

Employees should protect the Company's assets and ensure their efficient use for legitimate business purposes only. Theft, carelessness and waste have a direct impact on the Company's profitability. Any use of the funds or assets of the Company, whether for personal gain or not, for any unlawful or improper purpose is strictly prohibited.

To ensure the protection and proper use of the Company's assets, each employee is required to:

- Exercise reasonable care to prevent theft, damage or misuse of Company property;
- Promptly report any actual or suspected theft, damage or misuse of Company property;
- Safeguard all electronic programs, data, communications and written materials from unauthorized access; and
- Use Company property only for legitimate business purposes.

Except as approved in advance by the Chief Executive Officer or Chief Financial Officer of the Company, the Company prohibits political contributions (directly or through trade associations) by any employee on behalf of the Company. Prohibited political contributions include:

- any contributions of the Company's funds or other assets for political purposes;
- encouraging individual employees to make any such contribution; and
- reimbursing an employee for any political contribution.

VI. INTELLECTUAL PROPERTY AND CONFIDENTIALITY

Employees shall abide by the Company's rules and policies in protecting the intellectual property and confidential information, including the following:

- All inventions, creative works, computer software, and technical or trade secrets developed by an employee in the course of performing the employee's duties or primarily through the use of the Company's assets or resources while working at the Company are the property of the Company.

- Employees shall maintain the confidentiality of information entrusted to them by the Company or entities with which the Company has business relations, except when disclosure is authorized or legally mandated. Confidential information includes all non-public information that might be of use to competitors, or harmful to the company or its business associates, if disclosed.

- The Company maintains a strict confidentiality policy. During an employee's term of employment with the Company, the employee shall comply with any and all written or unwritten rules and policies concerning confidentiality and shall fulfill the duties and responsibilities concerning confidentiality applicable to the employee.

- In addition to fulfilling the responsibilities associated with his/her position in the Company, an employee may not, without obtaining prior approval from the Company, disclose, announce or publish trade secrets or other confidential business information of the Company, nor may an employee use such confidential information outside the course of his/her duties to the Company.

- Even outside the work environment, an employee must maintain vigilance and refrain from disclosing important information regarding the Company or its business, business associates or employees.

- An employee's duty of confidentiality with respect to the confidential information of the Company survives the termination of such employee's employment with the Company for any reason until such time as the Company discloses such information publicly or the information otherwise becomes available in the public sphere through no fault of the employee.

- Upon termination of employment, or at such time as the Company requests, an employee must return to the Company all of its property without exception, including all forms of medium containing confidential information, and may not retain duplicate materials.

VII. ACCURACY OF FINANCIAL REPORTS AND OTHER PUBLIC COMMUNICATIONS

The Company is required to report its financial results and other material information about its business to the public and the SEC. It is the Company's policy to promptly disclose accurate and complete information regarding its business, financial condition and results of operations. Employees must strictly comply with all applicable standards, laws, regulations and policies for accounting and financial reporting of transactions, estimates and forecasts. Inaccurate, incomplete or untimely reporting will not be tolerated and can severely damage the Company and result in legal liability.

Employees should be on guard for, and are required to promptly report, any possibility of inaccurate or incomplete financial reporting. Particular attention should be paid to:

- Financial results that seem inconsistent with the performance of the underlying business;

- Transactions that do not seem to have an obvious business purpose; and

- Requests to circumvent ordinary review and approval procedures.

The Company's senior financial officers and other employees working in the finance department have a special responsibility to ensure that all of the Company's financial disclosures are full, fair, accurate, timely and understandable. These individuals are required to report any practice or situation that might undermine this objective to the Compliance Officer.

Employees are prohibited from directly or indirectly taking any action to coerce, manipulate, mislead or fraudulently influence the Company's independent auditors for the purpose of rendering the financial statements of the Company materially misleading.

Prohibited actions include but are not limited to:

- issuing or reissuing a report on the Company's financial statements that is not warranted in the circumstances (due to material violations of U.S. GAAP, generally accepted auditing standards or other professional or regulatory standards);

- not performing audit, review or other procedures required by generally accepted auditing standards or other professional standards;

- not withdrawing an issued report when withdrawal is warranted under the circumstances; or

- not communicating matters as required to the Company's Audit Committee.

VIII.COMPANY RECORDS

Accurate and reliable records are crucial to the Company's business and form the basis of its earnings statements, financial reports and other disclosures to the public. The Company's records are a source of essential data that guides business decision-making and strategic planning. Company records include, but are not limited to, booking information, payroll, timecards, travel and expense reports, e-mails, accounting and financial data, measurement and performance records, electronic data files and all other records maintained in the ordinary course of business.

All Company records must be complete, accurate and reliable in all material respects. There is never an acceptable reason to make false or misleading entries. Undisclosed or unrecorded funds, payments or receipts are strictly prohibited. An employee is responsible for understanding and complying with the Company's recordkeeping policy. An employee should contact the Compliance Officer if he/she has any questions regarding the recordkeeping policy.

IX. COMPLIANCE WITH LAWS AND REGULATIONS

Each employee has an obligation to comply with the laws of the cities, provinces, regions and countries in which the Company operates. This includes, without limitation, laws covering commercial bribery and kickbacks, patent, copyrights, trademarks and trade secrets, information privacy, insider trading, offering or receiving gratuities, employment harassment, environmental protection, occupational health and safety, false or misleading financial information, misuse of corporate assets and foreign currency exchange activities. Employees are expected to understand and comply with all laws, rules and regulations that apply to their positions at the Company. If any doubt exists about whether a course of action is lawful, the employee should seek advice immediately from the Compliance Officer.

X. DISCRIMINATION AND HARASSMENT

The Company is firmly committed to providing equal opportunity in all aspects of employment and will not tolerate any illegal discrimination or harassment based on race, ethnicity, religion, gender, age, national origin or any other protected class. For further information, employees should consult the Compliance Officer. For example, an individual should not:

- give or receive kickbacks, bribe others, or secretly give or receive commissions or any other personal benefits; not performing audit, review or other procedures required by generally accepted auditing standards or other professional standards;
- spread rumors about competitors, customers or suppliers that the individual knows to be false;
- intentionally misrepresent the nature of quality of the Company's products; or
- otherwise seek to advance the Company's interests by taking unfair advantage of anyone through unfair dealing practices, including engaging in unfair practices through a third party.

XI. FAIR DEALING

Each employee should endeavor to deal fairly with the Company's customers, suppliers, competitors and employees. No employee may take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or any other unfair-dealing practice.

XII. HEALTH AND SAFETY

The Company strives to provide employees with a safe and healthy work environment. Each employee has responsibility for maintaining a safe and healthy workplace for other employees by following environmental, safety and health rules and practices and reporting accidents, injuries and unsafe equipment, practices or conditions. Violence or threats of violence are not permitted.

Each employee is expected to perform his/her duty to the Company in a safe manner, free of any influence of alcohol, illegal drugs or other controlled substances. The use of illegal drugs or other controlled substances in the workplace is prohibited.

XIII. VIOLATIONS OF THIS CODE

All employees have a duty to report any known or suspected violation of this Code, including any violation of laws, rules, regulations or policies that apply to the Company. Reporting a known or suspected violation of this Code by others will not be considered an act of disloyalty, but an action to safeguard the reputation and integrity of the Company and its employees.

If an employee knows of or suspects a violation of this Code, it is such employee's responsibility to immediately report the violation to the Compliance Officer, who will work with the employee to investigate his/her concern. All questions and reports of known or suspected violations of this Code will be treated with sensitivity and discretion. The Compliance Officer and the Company will protect the employee's confidentiality to the extent possible, consistent with the law and the Company's need to investigate the employee's concern.

It is the Company's policy that any employee who violates this Code will be subject to appropriate discipline, including termination of employment, based upon the facts and circumstances of each particular situation. An employee's conduct, if it does not comply with the law or with this Code, can result in serious consequences for both the employee and the Company.

The Company strictly prohibits retaliation against an employee who, in good faith, seeks help or reports known or suspected violations. An employee inflicting reprisal or retaliation against another employee for reporting a known or suspected violation will be subject to disciplinary action, including termination of employment.

XIV. REPORTING VIOLATIONS: PROCEDURES

All employees shall work to ensure prompt and consistent action against violations of this Code. However, in some situations it is difficult to know right from wrong. Since no one can anticipate every situation that will arise, it is important to have a way to approach a new question or problem. These are the steps to keep in mind:

- Make sure you have all the facts. In order to reach the right solutions, you must be as fully informed as possible.

- Ask yourself: What specifically am I being asked to do? Does it seem unethical or improper? This will enable you to focus on the specific question you are faced with and the alternatives you have. Use your judgment and common sense; if something seems unethical or improper, it probably is.

- Clarify your responsibility and role. In most situations there is shared responsibility. Are your colleagues informed? It may help to get others involved and discuss the problem.

- Discuss the problem with your supervisor. You are encouraged to talk to your supervisor about any issues concerning illegal, unethical or improper behavior and when in doubt about the best course of action in a particular situation. This is the basic guidance for all situations. In many cases your supervisor will be more knowledgeable about the question, and will appreciate being brought into the decision-making process. Remember it is your supervisor's responsibility to help solve problems.

- Report serious violations to the Company's CEO. You should report serious violations that have not been properly addressed by your supervisor or other resources of the Company to the CEO. However, if it is not appropriate to discuss an issue with the CEO, or if you believe that the CEO has not properly addressed the violations, you may contact any independent director of the Board of Directors. In the rare case that you become aware of a material legal violation or a breach of fiduciary duty by an employee of the Company, address your concerns to: Audit Committee Chairman, Apartment 602, No. 5 Furong Street, Dongshan District, Guangzhou, Guangdong Province.

- Reporting of accounting issues. If you are aware of an issue concerning accounting, auditing or the Company's internal accounting controls, address your concerns with the Company's internal audit function or to the CEO. In the event that you believe that the Company has not properly responded to the issue, you may address your concerns to: Audit Committee Chairman, Apartment 602, No. 5 Furong Street, Dongshan District, Guangzhou, Guangdong Province.

- You may report any possible violation in confidence and without fear of retaliation. If your situation requires that your identity be kept secret, your anonymity will be protected and you will be guaranteed confidentiality in the handling of your claim. It is the policy of the Company not to allow retaliation for reports of misconduct by others made in good faith by employees. Employees are expected to cooperate in internal investigations of misconduct.

- Always ask first, act later. If you are unsure of, what to do in any situation, seek guidance before you act.

XV. WAIVERS OF THIS CODE

Waivers of this Code will be granted on a case-by-case basis and only in extraordinary circumstances. Waivers of this Code may be made only by the Board, or the appropriate committee of the Board, and may be promptly disclosed to the public if so required by applicable laws and regulations and rules of the applicable stock exchange.

XVI. CONCLUSION

This Code contains general guidelines for conducting the business of the Company consistent with the highest standards of business ethics. If employees have any questions about these guidelines, they should contact the Compliance Officer. The Company expects all employees to adhere to these standards. Each employee is separately responsible for his/her actions. Conduct that violates the law or this Code cannot be justified by claiming that it was ordered by a supervisor or someone in higher management positions. If an employee engages in conduct prohibited by the law or this Code, such employee will be deemed to have acted outside the scope of his/her employment. The prohibited conduct will subject the employee to disciplinary action, including termination of employment.

Exhibit 99.2

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Zhujiang New Town
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廣東恒益律師事務所

, 2018

Puyi Inc.
42/F, Pearl River Tower
No. 15 Zhujiang West Road, Zhujiang New Town
Guangzhou, PRC 510623

RE: Legal Opinions on Certain PRC Law Matters

Dear Sirs/Madams,

We are qualified lawyers of the People's Republic of China (the "**PRC**") and as such are qualified to issue this opinion (the "**Opinion**") in respect of the PRC Laws (as defined below), effective as of the date hereof. For the purpose of this Opinion, the PRC excludes the Hong Kong Special Administrative Region, the Macau Special Administrative Region, and Taiwan.

We have acted as the PRC legal advisors for Puyi Inc. (the "**Company**" or "**Puyi**"), a company incorporated under the laws of the Cayman Islands, solely in connection with (A) the Company's Registration Statement on Form F-1, including all amendments and supplements thereto (the "**Registration Statement**"), filed by the Company with the Securities and Exchange Commission (the "**SEC**") under the U.S. Securities Act of 1993 (as amended), and the prospectus, including all amendments and supplements thereto, that forms a part of the Registration Statement (the "**Prospectus**"); (B) the Company's proposed initial public offering (the "**Offering**") by the Company of American Depositary Shares ("**ADSs**") each representing a certain member of ordinary shares ("**Ordinary Shares**"), par value $0.001 per share; and (C) the proposed listing and trading of the ADSs on the NASDAQ Global Market.

We have been requested to give this Opinion on certain legal matters set forth herein. Capitalized terms used in this Opinion and not otherwise defined herein shall have the meanings given to them in the Registration Statement.

I. Documents and Assumptions

In this capacity, we have examined originals or copies, certified or otherwise identified to our satisfaction, of the due diligence documents provided by the Company and the PRC Entities (as defined below), and such other documents, corporate records, certificates, and Governmental Authorizations (as defined below) issued by Government Agencies (as defined below) in the PRC and officers of the Company and other instruments as we have considered necessary or advisable for the purpose of rendering this Opinion (collectively, the "**Documents**").

For the purpose of this Opinion, our "knowledge" (or any similar concept) with respect to any matter means (a) the actual knowledge regarding such matter of the particular attorneys who are presently employees or partners of GFE Law Office and who have represented the Company; and (b) that we make no representation that we have undertaken any review of our files or other independent investigation with respect to any such matter.

In our examination of the Documents, we have assumed, without independent investigation and inquiry, the following assumptions (the "**Assumptions**") that:

1. all Documents submitted to us as originals are authentic and all Documents submitted to us as copies conform to their originals and such originals are authentic;

2. all Documents have been validly authorized, executed and delivered by all the relevant parties thereto, other than the PRC Entities and all natural persons who have the necessary legal capacity;

3. all signatures, seals and chops on the Documents submitted to us are genuine;

4. all Documents and the factual statements provided to us by the Company and the PRC Entities, including but not limited to those set forth in the Documents, are complete, true and correct;

5. no amendments, revisions, modifications or other changes have been made with respect to any of the Documents after they were submitted to us for the purposes of this Opinion;

6. each of the parties to the Documents, other than the PRC Entities, is duly organized and is validly existing in good standing under the laws of its jurisdiction of organization and/or incorporation;

7. each of the parties to the Documents, other than the PRC Entities, has full power and authority to execute, deliver and perform its obligations under the Documents to which it is a party in accordance with the laws of its jurisdiction of organization or incorporation;

8. all Governmental Authorizations (as defined below) and other official statement or documentations provided to us are obtained from the competent Government Agencies by lawful means in due course;

9. all Documents are legal, valid, binding and enforceable under all such laws as govern or relate to them other than PRC Laws (as defined below); and

10. all required consents, licenses, permits, approvals, exemptions or authorizations required of or by, and any required registrations or filings with, any governmental authority or regulatory body of any jurisdiction other than of the PRC in connection with the transactions contemplated under the Prospectus have been obtained or made, or where such required consents, license, permits, approvals, exemptions or authorizations have not been obtained or made as of the date hereof, no circumstance will cause or result in any failure for the same to be obtained or made.

II. Definitions

Unless the context otherwise requires, the following terms in this Opinion shall have the meanings ascribed to them as follows:

"**CSRC**"	means the China Securities Regulatory Commission;
"**Deposit Agreement**"	means the Deposit Agreement signed by the Company and the depositary, Deutsche Bank Trust Company Americas;
"**Government Agency**" or "**Government Agencies**"	means any competent national, provincial, municipal or local government authorities, courts, arbitration commissions, or regulatory bodies of the PRC having jurisdiction over the PRC Entities (as defined below) in the PRC;
"**Governmental Authorization**"	means any approval, consent, permit, authorization, filing, registration, exemption, waiver, endorsement, annual inspection, qualification and license required by the applicable PRC Laws (as defined below) to be obtained from any Government Agencies;

"**MOFCOM**"	means the Ministry of Commerce of the PRC;
"**M&A Rules**"	means the *Regulation on Mergers and Acquisitions of Domestic Enterprises by Foreign Investors*, jointly adopted by MOFCOM, CSRC, the State Assets Supervision and Administration Commission, the State Administration of Taxation, the State Administration for Industry and Commerce, and the State Administration of Foreign Exchange on August 8, 2006, which became effective on September 8, 2006, and was amended on June 22, 2009;
"**PRC Entities**"	means WFOE (as defined below), the VIE (as defined below) and its subsidiaries, collectively as listed in Schedule I, each of which is a company incorporated under the PRC Laws (as defined below);
"**PRC Laws**"	means any and all laws, regulations, statutes, rules, decrees, notices, and the Supreme Court's judicial interpretations currently in effect and publicly available in the PRC as of the date hereof;
"**Underwriter**"	means the one or several underwriters named in the Underwriting Agreement (as defined below), for which Network 1 Financial Securities, Inc. is acting as the representative (the "**Representative**");
"**Underwriting Agreement**"	means the Underwriting Agreement, signed by the Company and the Representative;
"**VIE**"	means variable interest entity, here referred to Chengdu Puyi Bohui Information Technology Co., Ltd. (□□□□□□□□□□□□);
"**VIE Agreements**"	means a serial of contractual arrangements made among WFOE (as defined below), the VIE and the shareholders of the VIE, through which WFOE gains full control over the management and receives the economic benefits of the VIE, as listed in Schedule II;
"**WFOE**"	means Puyi Enterprises Management Consulting Co., Ltd. (□□□□□□□□□□□□), which is the Company's wholly-owned subsidiary in the PRC.

III. Opinions

Based on our review of the Documents, and the statements and confirmations made by the Company and the PRC Entities, subject to the Assumptions and the Qualifications, as of the date hereof, we are of the opinion that:

1. *Existence.* Each of the PRC Entities has been duly organized in accordance with the PRC Laws and validly exists as a wholly foreign owned enterprise or a domestic limited liability company, as the case may be, with full legal person status and limited liability under the applicable PRC Laws. Each of the PRC Entities is in good standing in each respective jurisdiction of its organization.

2. *Corporate Structure.* The descriptions of the corporate structure of the Company are set forth in "*Corporate History and Structure*" section of the Registration Statement and the Prospectus are true and accurate and nothing has been omitted from such descriptions that would make the same misleading in any material respects. The ownership structure of the PRC Entities as set forth in Schedule I, currently and immediately after giving effect to this Offering, complies with all existing PRC Laws.

   With respect to the shareholding structure of the VIE, Haifeng Yu ("**Yu**") holds 99.04% equity interest of the VIE as recorded by the local Industry and Commerce Administration Bureau (the "**AIC Record**"). Among the 99.04% equity interest Yu holds, 48.74% was entrusted by a group of individuals ("**Dormant Shareholders**," or individually, a "**Dormant Shareholder**") pursuant to the respective Shareholding Entrustment Agreements ("**Entrustment Agreements**") executed between Yu and each of the Dormant Shareholders on September 25, 2018. Pursuant to the Entrustment Agreements, each of the Dormant Shareholders agreed to grant his/her rights as a nominee shareholder of the VIE under the PRC Laws to Yu, except for the right to dispose equity interest and the right to receive dividends. The rights of the nominee shareholder granted include but are not limited to the right to be recorded as a shareholder on the AIC Record, the right to management, and the voting rights. Notwithstanding the foregoing, each of the Dormant Shareholders further authorized Yu, as the nominee shareholder of the VIE on behalf of the Dormant Shareholder, to execute any agreements and perform any rights and obligation thereunder in relation to the establishment and/or restructuring of corporate structure in the event of proposed listing in a stock market. Based on our understanding of the PRC Laws, the Entrustment Agreements between Yu and each of the Dormant Shareholders are valid, binding, and enforceable against such parties in accordance with its terms and the PRC Laws.

3. *VIE Agreements.* The statements set forth in the Registration Statement and the Prospectus under the caption "*Risk Factors—Risks Relating to Our Corporate Structure*" and "*Corporate History and Structure—Contractual Arrangements*" are fair and accurate summaries of the matters described therein, and nothing has been omitted from such summaries that would make the same misleading in any material respect. Schedule II hereto sets forth a true and accurate list of the VIE Agreements among the WFOE, the VIE and/or all the shareholders of the VIE who are the parties thereto.

   Based on our understanding of the current PRC Laws, (A) the ownership structure of the WFOE, the VIE and its subsidiaries set form in Schedule II, both currently and immediately after giving the effect to the Offering, does not violate and will not violate any applicable PRC Laws currently in effect; (B) each of the VIE Agreements constitutes a legal, valid and binding obligation of the parties thereto, enforceable against such parties in accordance with its terms and conditions and the applicable PRC Laws currently in effect, and do not and will not, to the best of our knowledge after due and reasonable inquiries, conflict with or result in a breach or violation of (i) any of the terms or provisions of, or constitute a default under, any other contract, license, indenture, mortgage, deed of trust, loan agreement, note, lease or other agreement or instrument to which the WFOE, the VIE or its shareholders is a party or by which any of them is bound or to which any of their properties or assets is subject, or (ii) any requirements of the PRC Laws currently in effect; and (C) all required Governmental Authorizations in respect of the VIE Agreements to ensure the legality and enforceability in evidence of each of the VIE Agreements in the PRC have been duly obtained and are legal, valid and enforceable, and no further Governmental Authorization is required under the current PRC Laws or the performance of the terms thereof; provided, that any exercise by the WFOE of its rights under the Exclusive Option Agreement will be subject to any approval, appraisal or restriction required by the PRC Laws then in effect. However, as described in the Registration Statement, there are substantial uncertainties regarding the interpretation, implementation and application of the PRC Laws, and there can be no assurance that relevant Governmental Agencies will not take a view that is contrary to our opinions in this paragraph.

4. *Government Authorizations.* Each of the PRC Entities has obtained all Governmental Authorizations from, and completed all filings with, the Government Agencies that are necessary for it to own, use and license their assets, conduct its business in the manner as described in the respective business license and in the Registration Statement and the Prospectus. Each of the PRC Entities is in compliance with the provisions of all such Governmental Authorizations in all material aspects, and none of the PRC Entities has received any notification of proceedings relating to, or has any reason to believe that any Government Agencies are considering, the modification, suspension or revocation of any such Governmental Authorizations. Except otherwise disclosed in the Registration Statement and the Prospectus, there is no circumstance which might lead to the suspension, alteration or cancellation of any Governmental Authorizations of any PRC Entities

5. *No Breach of Contract.* None of the PRC Entities is in breach of or violation of, or default in the performance or observance of any obligation, agreement, covenant or condition contained in any indenture, mortgage, deed of trust, loan agreement, lease or other agreement or instrument governed by the PRC Laws to which it is a party or by which it or any of its properties may be bound.

6. *Clean Title of Properties.* Each of the PRC Entities has full, valid and clean title to all of its property, assets and intellectual property used in connection with its business, free and clear of any security interest, liens, charges, encumbrances, claims, options, restrictions and any other third party rights.

7. *Taxation.* As of the date hereof, the discussion of PRC taxation in the Prospectus are true and accurate based on the PRC Laws, and the statements of law and legal conclusions in the Registration Statement under the caption "*Taxation*," insofar as they constitute statements of PRC tax law, are accurate in all material respects and that such statements constitute our opinion. We do not express any opinion in this Paragraph 7 concerning any law other than the PRC tax laws.

8. *Labor and Social Welfare.* As of the date hereof, the discussion of the labor and social welfare matters under the captions "*Risk Factors*" and "*Business*" in the Registration Statement and the Prospectus are true and accurate based on the PRC Laws, and are accurate in all material respects and that such statements constitute our opinion.

   No labor dispute, or complaint involving the employees of any of the PRC Entities, exists or is imminent or threatened. The labor contracts or employment agreements entered by the PRC Entities with their respective employees are in compliance with the PRC Laws. Further, in compliance with the relevant PRC Laws regarding social insurance and housing provident funds, all the PRC Entities have registered with relevant local Social Insurance Bureaus and Housing Provident Funds Management Centers, and have paid social insurance and housing provident funds for their employees. The PRC Entities have not owed any payment or been subject to any governmental proceeding in relation to their social insurance and housing provident fund payments

9. *No Legal Proceeding.* There are no material legal, governmental or regulatory investigations, suits, actions or proceedings pending to which any of the PRC Entities is or may be a party or to which any property of the PRC Entities is or may be the subject; and to our knowledge, no such investigations, suits, actions or proceedings are threatened or contemplated by any governmental or regulatory authority or threatened by others.

10. *M&A Rules.* Pursuant to the M&A Rules, an offshore special purpose vehicle ("**SPV**") formed for listing purposes and controlled directly or indirectly by PRC companies or individuals shall obtain the approval of the CSRC prior to the listing and trading of such SPV's securities on an overseas stock exchange. We have advised the Company that neither approval of CSRC nor the one of Ministry of Commerce is required for the listing and trading of the Company's ADSs on the NASDAQ Global Market in the context of this Offering, because (A) the Company established the WFOE as a foreign-invested enterprise by means of direct investment and not through a merger or acquisition of the equity or assets of a "PRC domestic enterprise" as defined under the M&A Rules; and (B) no provision in the M&A Rules clearly classifies transactions like the contractual arrangements among the WFOE, the VIE and its shareholder as a type of acquisition transaction falling under the M&A Rules. However, there are uncertainties regarding the interpretation and application of the PRC Laws, and there can be no assurance that the Government Agencies will ultimately take a view that is not contrary to our opinion stated above.

11. *SAFE Compliance.* Pursuant to the relevant SAFE regulations, WFOE, as a foreign-invested enterprise established by direct investment of a foreign investor, has completed the registration of foreign exchange with a local bank under the supervision of SAFE in order to legitimately receive capital contribution from its Hong Kong parent company.

12. *Choice of Law; Submission to Jurisdiction.* Except as disclosed in the Registration Statement, (A) the irrevocable submission of the Company to the jurisdiction of the New York Courts, the waiver by the Company of any objection to the venue of a proceeding in a New York Court, the waiver and agreement of the Company not to plead an inconvenient forum, and the agreement of the Company that the Underwriting Agreement and the Deposit Agreement be construed in accordance with and governed by the laws of the State of New York are valid and legal under PRC Laws and will be recognized by PRC courts; (B) service of process effected in the manner set forth in the Underwriting Agreement and the Deposit Agreement does not contravene PRC Laws and, insofar as matters of PRC Laws are concerned, are effective to confer jurisdiction over the equity interests in subsidiaries, assets and property of the Company in the PRC, subject to compliance with the PRC Civil Procedure Law if the service of process is conducted in the PRC; and (C) any judgment obtained in a New York Court arising out of or in relation to the obligations of the Company under the Underwriting Agreement and the Deposit Agreement will be recognized by PRC courts in accordance with PRC Laws, subject to the conditions, restrictions and uncertainties described under the caption "*Enforcement of Civil Liabilities*" in the Registration Statement.

13. *Enforceability of Civil Liabilities.* The statements as to the PRC Laws set forth in the Registration Statement and the Prospectus under the caption "*Enforceability of Civil Liabilities*" are fair and accurate summaries of the matters described therein, and nothing has been omitted from such summaries that would make the same misleading in any material respect. We have advised the Company that the recognition and enforcement of foreign judgments are provided for under the PRC Civil Procedure Law. The PRC courts may recognize and enforce foreign judgments in accordance with the requirements of the PRC Civil Procedure Law based either on treaties between China and the country where the judgment is made or in reciprocity between jurisdictions. China does not have any treaties or other agreements with the Cayman Islands or the United States that provide for the reciprocal recognition and enforcement of foreign judgments. We have further advised that under the PRC Laws, the PRC courts will not enforce a foreign judgment against the Company or its officers and directors if the court decides that such judgment violates the basic principles of PRC Laws or national sovereignty, security or social public interest.

14. *Statements in the Registration Statement and the Prospectus.* The statements set forth in the Registration Statement and the Prospectus relating to PRC Laws or that are descriptions of agreements or instruments governed by PRC Laws under the captions "*Prospectus Summary*", "*Risk Factors*", "*Dividend Policy*", "*Management's Discussion and Analysis of Financial Condition and Results of Operations*", "*Corporate History and Structure*", "*Business*", "*Regulation*", "*Management*", "*Related Party Transactions*", "*Taxation*", "*Enforceability of Civil Liabilities*", and "*Legal Matters*" (other than the financial statements and related schedules and other financial data contained therein to which we express no opinion) are true and accurate in all material respects, and fairly present and summarize the information and matters referred to therein. Nothing has been omitted from such statements which would make the statements, in light of the circumstance under which they were made, misleading in any material respect.

15. *No Sovereign Immunity.* Under the PRC Laws, each of the PRC Entities and their respective individual shareholders can sue and be sued in its own name in the PRC, and none of the PRC Entities, nor any of their respective properties, assets or revenues, is entitled to any right of immunity on the grounds of sovereignty or otherwise from any legal action, suit or proceeding, set-off or counterclaim, the jurisdiction of any court in the PRC, service of process, attachment prior to or in aid of execution of judgment, or other legal process or proceeding for the granting of any relief or the enforcement of any judgment.

16. *Non-Resident Holders.* As a matter of PRC Laws, no holder of the ADSs or Ordinary Shares will be subject to any personal liability for the liabilities of the Company, or be subject to a requirement to be licensed or otherwise qualified to do business or be deemed domiciled or resident in the PRC, by virtue only of holding such ADSs or Ordinary Shares. There are no limitations under the PRC Laws on the rights of holders of the ADSs or Ordinary Shares who are not PRC residents to hold, vote or transfer their securities nor any statutory pre-emptive rights or transfer restrictions applicable to such ADSs or Ordinary Shares, by virtue only of holding such ADSs or Ordinary Shares. Except as disclosed in the Registration Statement, there are no tax reporting obligations to any Governmental Agency under the PRC Laws on non-PRC resident holders of the ADSs or the Ordinary Shares, by virtue only of holding such ADSs or Ordinary Shares.

17. *Underwriter.* Assuming no issuance or sale of the ADSs or Ordinary Shares has been or will be made directly or indirectly within the PRC, the entry into and performance or enforcement of the Underwriting Agreement in accordance with their respective terms will not subject the Underwriter to any requirement to be licensed or otherwise qualified to do business in the PRC, nor will any Underwriter be deemed to be resident, domiciled, carrying on business through an establishment or place in the PRC or be in breach of the PRC Laws by reason of entry into, performance or enforcement of the Underwriting Agreement.

18. *Other Matters.* The establishment or confirmation of factual matters or of statistical, financial or quantitative information is beyond the scope and purpose of our professional engagement in this matter. In the course of acting as the legal advisors to the Company in connection with the preparation by the Company of the Registration Statement and the Prospectus, we have participated in conferences with officers and other representatives of the Company and the independent registered public accounting firm for the Company during which conferences the contents of the Registration Statement and the Prospectus and related matters were discussed.

    Based upon our participation described above, we advise the Company that nothing has come to our attention that caused us to believe that (a) the Registration Statement (other than the financial statements and related schedules and other financial and statistical data derived therefrom and contained therein or omitted therefrom, as to which we express no opinion), at the date and as of the time it became effective, contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary to make the statements therein not misleading; or (b) the Prospectus (other than the financial statements and related schedules and other financial and statistical data derived therefrom and contained therein or omitted therefrom, as to which we express no view or belief), as of its date or as of the date hereof, contained or contains an untrue statement of a material fact or omitted or omits to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

IV. Qualifications

This Opinion is subject to the following qualifications (the "**Qualifications**"):

1. This Opinion relates only to the PRC Laws and we express no opinion as to any other laws or regulations than the PRC Laws. There is no guarantee that any of the PRC Laws, or the interpretation thereof or enforcement therefore, will not be changed, amended or replaced in the immediate future or in the longer term with or without retrospective effect.

2. This Opinion is intended to be used in the context which is specifically referred to herein and each paragraph should be looked at as a whole and no part should be extracted and referred to independently.

3. Under relevant PRC Laws, foreign investment is restricted in certain businesses. The interpretation and implementation of these PRC Laws, and their application to and effect on the legality, binding effect and enforceability of contracts and transactions are subject to the discretion of competent PRC legislative, administrative and judicial authorities.

4. This Opinion is subject to the effects of (a) certain equitable, legal or statutory principles in affecting the enforceability of contractual rights generally under the concepts of public interest, national security, good faith and fair dealing, applicable statutes of limitation, and the limitations of bankruptcy, insolvency, reorganization or similar laws affecting the enforcement of creditor's rights generally; (b) any circumstance in connection with the formulation, execution or performance of any legal document that will be deemed materially mistaken, clearly unconscionable or fraudulent; (c) judicial discretion with respect to the availability of injunctive relief, the calculation of damages, and any entitlement to attorneys' fees and other costs; and (d) the discretion of any competent PRC legislative, administrative or judicial bodies in exercising their authority in connection with the interpretation, implementation and application of relevant PRC Laws.

This Opinion is rendered to the Company by us in our capacity as the Company's PRC legal advisors in connection with the Offering and, except as otherwise provided for herein, shall not be quoted nor shall a copy be given to any person (apart from the addressee) without our express prior written consent except where such disclosure is required to be made by the applicable law or is requested by the SEC or any other regulatory agencies.

We hereby consent to the use of this Opinion in, and the filing hereof as an exhibit to, the Registration Statement and the Prospectus, and to the reference to our name under the captions "*Risk Factors*", "*Corporate History and Structure*", "*Regulation*", "*Taxation*", "*Enforceability of Civil Liabilities*", and "*Legal Matters*" in such Registration Statement and Prospectus. In giving such consent, we do not thereby admit that we fall within the category of the person whose consent is required under Section 7 of the U.S. Securities Act of 1933, as amended, or the regulations promulgated thereunder.

Yours faithfully,

GFE Law Office

Schedule I

List of PRC Entities and Shareholding Information

No.	Full Name	Shareholder(s)	Percentage of Equity Interest Owned
PRC Subsidiary			
1	Puyi Enterprises Management Consulting Co., Ltd. (□□□□□□□□□□□□) (the "**WFOE**")	Puyi Holding (Hong Kong) Limited	100%
VIE and its subsidiaries			
2	Chengdu Puyi Bohui Information Technology Co., Ltd. (□□□□□□□□□□□□□□□) (the "**VIE**")	Haifeng Yu Yuanfen Yang	99.04% 0.96%
3	Fanhua Puyi Fund Distribution Co., Ltd. (□□□□□□□□□□□□□)	VIE	100%
4	Guangdong Puyi Asset Management Co., Ltd. (□□□□□□□□□□□□□) ("**Puyi Asset**")	VIE	100%
5	Shenzhen Puyi Zhongxiang Information Technology Co., Ltd. (□□□□□□□□□□□□□□□□)	VIE	100%
6	Chongqing Fengyi Management Consulting Co., Ltd. (□□□□□□□□□□□□□□□□)	VIE	100%
7	Shenzhen Baoying Factoring Co., Ltd. (□□□□□□□□□□□□□)	Puyi Asset Tibet Zuli Investment Co., Ltd., an independent third party	85% 15%
8	Shenzhen Qianhai Zhonghui Huiguan Investment Management Co., Ltd. (□□□□□□□□□□□□□□□□□)	Puyi Asset Jianping Tang, an independent third party Jing Hu, an independent third party	51% 48% 1%

Schedule II

List of VIE Agreements

1. Exclusive Technology and Consultancy Services Agreement among WFOE, the VIE and its shareholders, Haifeng Yu and Yuanfen Yang, dated September 6, 2018;

2. Equity Interest Pledge Agreement among Haifeng Yu, Yuanfen Yang, WFOE, and the VIE dated September 6, 2018;

3. Exclusive Option Agreement among Haifeng Yu, Yuanfen Yang, WFOE, and the VIE dated September 6, 2018;

4. Spouse Consent Letter provided by Qi Xiao, Haifeng Yu's spouse, dated September 6, 2018;

5. Spouse Consent Letter provided by Jianping Cheng, Yuanfen Yang's spouse, dated September 6, 2018;

6. Power of Attorney granted by Haifeng Yu dated September 6, 2018; and

7. Power of Attorney granted by Yuanfen Yang dated September 6, 2018.