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

FORM 6-K

**REPORT OF FOREIGN PRIVATE ISSUER
PURSUANT TO RULE 13a-16 OR 15d-16
UNDER THE SECURITIES EXCHANGE ACT OF 1934**

For the month of May 2018

Commission File Number: 001-37871

Gridsum Holding Inc.

**Jade Palace Hotel Office Building, 8th Floor
76 Zhichun Road
Haidian District, Beijing 100086
People's Republic of China
(86-10) 8261-9988**

(Address, including zip code, and telephone number, including area code, of Registrant's principal executive offices)

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F.

Form 20-F Form 40-F

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1):

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7):

On May 5, 2018, Gridsum Holding Inc. (the “Company”) completed the transactions contemplated by the Company’s April 30, 2018 convertible note purchase agreement with FutureX Innovation SPC (the “Investor”), an affiliate of FutureX Capital Limited (“FutureX”). FutureX is an emerging China-based private equity firm led by Cynthia Zhang, who founded the overseas PE platform of ChinaAMC, a leading asset manager in China. FutureX’s key areas of focus include technology, software and AI. In accordance with the convertible note purchase agreement, the Company received US\$40 million and issued a convertible note in the principal value of US\$40 million (the “Note”) that is convertible, in whole or in part, into Class B ordinary shares of the Company at a conversion price of US\$6.50 per share, subject to customary adjustments. The Note has a term of 18 months and bears interest at 2.80% per annum. The Note includes other customary terms and covenants, including certain events of default after which the Note may be due and payable immediately. Additionally, in the event of a fundamental change, as defined in the Note, the holder of the Note may require the Company to repurchase the Note at a price equal to 100% of the principal amount of the Note, plus accrued and unpaid interest. The Investor agreed not to transfer or sell the Note, the Class B ordinary shares or any other securities of the Company, or enter into any swap, short sale or similar arrangements relating to such securities, for a period of six months after the issuance of the Note. In connection with this transaction, the Company and Investor entered into a registration rights agreement (the “Registration Rights Agreement”), under which the Investor has the right to require the Company, within 15 months following the issuance of the Note, to file a registration statement with the U.S. Securities and Exchange Commission covering the offer and sale of the Class B ordinary shares issued upon conversion of the Note, as well as certain customary piggyback registration rights.

The Company’s press release announcing completion of the offer and sale of the Note, the Note and the Registration Rights Agreement are included as exhibits to this Form 6-K. The foregoing description of the Note and the Registration Rights Agreement does not purport to be complete, and is qualified in its entirety by reference to these exhibits.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Gridsum Holding Inc.

By: /s/ Michael Peng Zhang

Name: Michael Peng Zhang

Title: Co-Chief Financial Officer

Date: May 7, 2018

Exhibit Index

Exhibit 99.1 — Press Release dated May 7, 2018

Exhibit 99.2 — Convertible Note dated May 5, 2018

Exhibit 99.3 — Registration Rights Agreement dated May 5, 2018

Gridsum Announces Completion of Investment from FutureX Capital

BEIJING, May 7, 2018 /PRNewswire/ — Gridsum Holding Inc. (“Gridsum” or “Company”) (NASDAQ:GSUM), a leading provider of cloud-based big-data analytics and artificial intelligence (“AI”) solutions in China, today announced the completion of its issuance and sale of a US\$40 million convertible note (the “Note”) to FutureX Innovation SPC (the “Investor”), an affiliate of FutureX Capital Limited (“FutureX”), for a total consideration of US\$40 million. FutureX is an emerging China-based private equity firm led by Cynthia Zhang, who founded the overseas PE platform of ChinaAMC, a leading asset manager in China. FutureX’s key areas of focus include technology, software and AI. The issuance and sale of the Note were made pursuant to the convertible note purchase agreement dated April 30, 2018 (the “Note Purchase Agreement”) between the Company and the Investor. In accordance with the Note Purchase Agreement, the Company also entered into a registration rights agreement with the Investor.

Mr. Guosheng Qi, Chief Executive Officer of Gridsum, commented, “The completion of this financing is a positive sign of the support Gridsum has from the capital markets, and our focus on the future of our business, core competencies, and addressable markets. Strengthening our balance sheet will put us in a better position to continue enhancing our big-data analytics and AI solutions, and to expand our capability and leadership in the AI industry in China.”

About Gridsum

Gridsum Holding Inc. (Nasdaq: GSUM) is a leading provider of cloud-based big-data analytics and AI solutions for multinational and domestic enterprises and government agencies in China. Gridsum’s core technology, the *Gridsum Big Data Platform*, is built on a distributed computing framework and performs real-time multi-dimensional correlation analysis of both structured and unstructured data. This enables Gridsum’s customers to identify complex relationships within their data and gain new insights that help them make better business decisions. The Company is named “Gridsum” to symbolize the combination of distributed computing (Grid) and analytics (sum). As a digital intelligence pioneer, the Company’s mission is to help enterprises and government organizations in China use data in new and powerful ways to make better informed decisions and be more productive.

Safe Harbor Statement

This announcement contains forward-looking statements. These forward-looking statements are made under the “safe harbor” provisions of the U.S. Private Securities Litigation Reform Act of 1995. These statements can be identified by terminology such as “may,” “will,” “expects,” and similar statements. Forward-looking statements involve inherent risks and uncertainties. Many factors could cause actual results to differ materially from those contained in any forward-looking statement, including but not limited to the following: unexpected difficulties in Gridsum’s pursuit of its goals and strategies; the unexpected developments, including slow growth, in the digital intelligence market; unexpected difficulties and potential delays in filing annual or other reports with the SEC; PRC governmental policies relating to media, software, big data, the internet, internet content providers and online advertising; and general economic and business conditions in the regions where Gridsum provides solutions and services. All information provided in this press release and in the attachments is as of the date of this press release, and Gridsum undertakes no duty to update such information except as required under applicable law.

Investor Relations

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CONVERTIBLE NOTE

THIS NOTE AND THE SECURITIES REPRESENTED HEREBY WERE ISSUED IN AN OFFSHORE TRANSACTION TO PERSONS WHO WERE NOT U.S. PERSONS AND WERE NOT PURCHASING FOR THE ACCOUNT OR BENEFIT OF U.S. PERSONS PURSUANT TO REGULATION S UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"). ACCORDINGLY, THIS NOTE AND THE SECURITIES REPRESENTED HEREBY (INCLUDING AMERICAN DEPOSITARY SHARES OR ORDINARY SHARES ISSUABLE UPON CONVERSION HEREOF) HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT, OR UNDER ANY OTHER SECURITIES LAWS. THIS NOTE AND THE SECURITIES REPRESENTED HEREBY ARE SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND RESALE AND MAY NOT BE TRANSFERRED OR RESOLD EXCEPT AS PERMITTED UNDER THE SECURITIES ACT AND OTHER APPLICABLE SECURITIES LAWS. PRIOR TO THE EXPIRATION OF 40 DAYS AFTER THE LATER OF THE COMMENCEMENT OF THE OFFERING OF THIS SECURITY AND THE CLOSING DATE (THE "DISTRIBUTION COMPLIANCE PERIOD"), THIS NOTE AND THE SECURITIES REPRESENTED HEREBY MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED IN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, ANY U.S. PERSON EXCEPT (1) TO GRIDSUM HOLDING INC. (THE "COMPANY") OR ANY SUBSIDIARY THEREOF; (2) OUTSIDE THE UNITED STATES IN AN OFFSHORE TRANSACTION PURSUANT TO REGULATION S UNDER THE SECURITIES ACT; (3) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT OF THE COMPANY THAT COVERS THE RESALE OF THIS NOTE OR SECURITIES REPRESENTED HEREBY; (4) TO A QUALIFIED INSTITUTIONAL BUYER IN COMPLIANCE WITH RULE 144A UNDER THE SECURITIES ACT; OR (5) PURSUANT TO AN EXEMPTION FROM REGISTRATION PROVIDED BY RULE 144 UNDER THE SECURITIES ACT OR ANY OTHER AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT.

PRIOR TO THE REGISTRATION OF ANY TRANSFER, THE COMPANY RESERVES THE RIGHT TO REQUIRE THE DELIVERY OF SUCH LEGAL OPINIONS, CERTIFICATIONS OR OTHER EVIDENCE AS MAY REASONABLY BE REQUIRED IN ORDER TO DETERMINE THAT THE PROPOSED TRANSFER IS BEING MADE IN COMPLIANCE WITH THE SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS. NO REPRESENTATION IS MADE AS TO THE AVAILABILITY OF ANY EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT. THE HOLDER, BY ITS ACCEPTANCE OF THIS NOTE, REPRESENTS THAT IT UNDERSTANDS AND AGREES TO THE FOREGOING RESTRICTIONS.

CONVERTIBLE NOTE

US\$40,000,000

May 5, 2018

Subject to the terms and conditions of this Convertible Note (the “Note”), for good and valuable consideration received, Gridsum Holding Inc., a Cayman Islands company (the “Company”), promises to pay to the order of FutureX Innovation SPC (on behalf of and for the account of New Technology Fund II SP as one of its segregated portfolios), an exempted company incorporated under the laws of the Cayman Islands and registered as a segregated portfolio company (such party and any permitted transferee, the “Holder”), the principal amount of US\$40,000,000, plus accrued and unpaid interest thereon at the rate provided below, on November 5, 2019 (the “Maturity Date”), or such earlier or later date as may be otherwise provided herein, unless the outstanding principal, together with accrued interest, is settled in accordance with Article 3 of the Note.

The Note is issued pursuant to, subject to the provisions of and in accordance with, the Convertible Note Purchase Agreement, dated April 30, 2018 (the “Purchase Agreement”), by and between the Company and the Holder. Capitalized terms used and not defined herein have the meanings set forth in the Purchase Agreement.

The following is a statement of the rights of the Holder of the Note and the terms and conditions to which the Note is subject, and to which the Holder hereof, by the acceptance of the Note, agrees:

ARTICLE 1
DEFINITIONS

“ADS” means an American depository share of the Company, representing one Ordinary Share as of the date of this Note.

“ADS Depository” means Citibank, N.A.

“Affiliate” means, with respect to any specified Person, any Person that controls, is controlled by, or is under common control with such Person. For purposes of this definition, the term “control” (including the terms “controlling,” “controlled by” and “under common control with”), when used with respect to any specified Person, means the possession, directly or indirectly, individually or together with any other Person, of the power to direct or to cause the direction of the management and policies of a Person, whether through ownership of voting securities or other interests, by contract or otherwise.

“Board of Directors” means the board of directors of the Company or a committee of such board duly authorized to act for it hereunder.

“Business Day” means any day that is not a Saturday, a Sunday or other day on which banking institutions in the Cayman Islands, the State of New York, Beijing or Hong Kong are required by Law to be closed.

“Capital Stock” means for any Person, any and all shares, interests, rights to acquire, warrants, options, participations or other equivalents of or interests in (however designated) stock issued by that Person.

“Clause A Distribution” has the meaning ascribed to this term in Section 4.1(c).

“Clause B Distribution” has the meaning ascribed to this term in Section 4.1(c).

“Clause C Distribution” has the meaning ascribed to this term in Section 4.1(c).

“close of business” means 5:00 P.M., New York City time.

“Common Equity” of any Person means ordinary share capital or common stock of such Person that is generally entitled (a) to vote in the election of directors of such Person or (b) if such Person is not a corporation, to vote or otherwise participate in the selection of the governing body, partners, managers or others that will control the management or policies of such Person.

“Company” has the meaning ascribed to this term in the Preamble.

“Conversion Date” has the meaning ascribed to this term in Section 3.3(a).

“Conversion Notice” has the meaning ascribed to this term in Section 3.3(a).

“Conversion Rate” has the meaning ascribed to this term in Section 3.2.

“Defaulted Amounts” means any amounts on this Note that are payable but are not punctually paid or duly provided for.

“Distributed Property” has the meaning ascribed to this term in Section 4.1(c).

“Event of Default” has the meaning ascribed to this term in Section 2.4.

“Exchange Act” means the United States Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

“Ex-Dividend Date” means the first date on which the Ordinary Shares, ADSs or other applicable securities trade on the applicable exchange or in the applicable market, regular way, without the right to receive the issuance, dividend or distribution in question, from the Company, ADS Depository or, if applicable, from the seller of the Ordinary Shares, ADSs or other applicable securities on such exchange or market (in the form of due bills or otherwise) as determined by such exchange or market.

“Fundamental Change” shall be deemed to have occurred at the time after the Note is originally issued if any of the following occurs:

(a) a “person” or “group” within the meaning of Section 13(d) of the Exchange Act, other than the Company, its Subsidiaries, any Permitted Holders and the employee benefit plans of the Company and its Subsidiaries, files a Schedule TO or any schedule, form or report under the Exchange Act disclosing that such person or group has become the direct or indirect “beneficial owner,” as defined in Rule 13d-3 under the Exchange Act, of the Company’s Common Equity representing more than 50% of the voting power of all shares of the Company’s Common Equity; provided that the filing by Mr. Guosheng Qi of a Schedule 13D or 13G (or amendment thereto, but not a Schedule TO) disclosing that he is or has become the direct or indirect “beneficial owner of the Company’s Common Equity shall not be deemed to be a Fundamental Change pursuant to this clause (a);

(b) the consummation of (i) any recapitalization, reclassification or change of the Ordinary Shares or the ADSs (other than changes resulting from a subdivision or combination) as a result of which the Ordinary Shares or the ADSs would be converted into, or exchanged for, stock, other securities, other property or assets; (ii) any share exchange, amalgamation, scheme of arrangement, consolidation or merger of the Company pursuant to which the Ordinary Shares or the ADSs will be converted into cash, securities or other property; (iii) any sale, lease or other transfer in one transaction or a series of transactions of all or substantially all of the consolidated assets of the Company and its Subsidiaries, taken as a whole, to any “person” or “group” (as those terms are used in Sections 13(d) and 14(d) of the Exchange Act) other than one of the Company’s Subsidiaries; or (iv) any statutory share exchange;

(c) the shareholders of the Company or any of its Significant Subsidiaries approve any plan or proposal for the liquidation or dissolution of the Company or any of its Significant Subsidiaries;

(d) the Company or any of its Significant Subsidiaries commence a voluntary case or other proceeding seeking liquidation, reorganization or other relief with respect to the Company or such Significant Subsidiary or its debts under any bankruptcy, insolvency or other similar Law now or hereafter in effect or seeking the appointment of a trustee, receiver, liquidator, custodian or other similar official of the Company or such Significant Subsidiary or all or substantially all of its property, or consent to any such relief or to the appointment of or taking possession by any such official in an involuntary case or other proceeding commenced against it, or make a general assignment for the benefit of creditors, or fail generally to pay its debts as they become due; or

(e) an involuntary case or other proceeding is commenced against the Company or any of its Significant Subsidiaries seeking liquidation, reorganization or other relief with respect to the Company or such Significant Subsidiary or its debts under any bankruptcy, insolvency or other similar Law now or hereafter in effect or seeking the appointment of a trustee, receiver, liquidator, custodian or other similar official of the Company or such Significant Subsidiary or all or substantially all of its property, and such involuntary case or other proceeding shall remain undismissed and unstayed for a period of 30 consecutive calendar days;

provided, however, that a transaction or transactions described in clause (a) or (b) above shall not constitute a Fundamental Change, if 100% of the consideration received or to be received by holders of the Ordinary Shares (directly or in the form ADSs), excluding cash payments for any fractional Ordinary Share or ADS or made in connection with any dissenters’ rights, in connection with such transaction or transactions consists of shares of Common Equity or American depositary shares in respect of Common Equity that are listed or quoted on any of The New York Stock Exchange, The NASDAQ Global Select Market or The NASDAQ Global Market (or any of their respective successors) or will be so listed or quoted when issued or exchanged in connection with such transaction or transactions and as a result of such transaction or transactions the Note becomes convertible into such consideration, excluding cash payments for any fractional Ordinary Share or ADS or made in connection with any dissenters’ rights.

“Fundamental Change Company Notice” has the meaning ascribed to this term in Section 5.3.

“Fundamental Change Repurchase Date” has the meaning ascribed to this term in Section 5.1.

“Fundamental Change Repurchase Notice” has the meaning ascribed to this term in Section 5.2.

“Fundamental Change Repurchase Price” has the meaning ascribed to this term in Section 5.1.

“GAAP” means accounting principles generally accepted in the United States.

“Governmental Authority” means any federal, national, supranational, state, provincial, local, municipal or other government, any governmental, quasi-governmental, supranational, judicial, regulatory or administrative authority (including any governmental division, department, agency, commission, instrumentality, organization, unit or body, political subdivision, and any court or other tribunal) or any stock exchange or self-regulatory organization (including the NASDAQ) with competent jurisdiction.

“HKIAC” has the meaning ascribed to this term in Section 10.4(b).

“HKIAC Rules” has the meaning ascribed to this term in Section 10.4(b).

“Holder” has the meaning ascribed to this term in the Preamble.

“Last Reported Sale Price” of any security on any date means the closing sale price per security (or if no closing sale price is reported, the average of the bid and ask prices or, if more than one in either case, the average of the average bid and the average ask prices) on that date as reported in composite transactions for the NASDAQ Stock Market (or the principal U.S. national or regional securities exchange on which such securities are traded). If such securities are not listed for trading on a U.S. national or regional securities exchange on the relevant date, the “Last Reported Sale Price” shall be the last quoted bid price for such securities in the over-the-counter market on the relevant date as reported by OTC Markets Group Inc. or a similar organization. If such securities are not so quoted, the “Last Reported Sale Price” shall be the average of the midpoint of the last bid and ask prices for such securities on the relevant date from each of at least three nationally recognized independent investment banking firms selected by the Company for this purpose. If there was no bid price or no ask price for such securities on the relevant date then the “Last Reported Sale Price” shall be the value per security of such securities as of the close of business on the relevant date as determined by a nationally recognized independent investment banking firm retained by the Company for such purpose as most accurately reflecting the per security price that a fully informed buyer, acting on his own accord, would pay to a fully informed seller, acting on his own accord in an arms-length transaction, for one such security. For so long as the Ordinary Shares are represented by ADSs, the “Last Reported Sale Price” of the Ordinary Shares shall be the Last Reported Sale Price of the ADSs, *divided by* the number of Ordinary Shares then represented by one ADS.

“Law” means any statute, law, ordinance, regulation, rule, code, order, judgment, writ, injunction, decree or requirement of law (including common law) enacted, issued, promulgated, enforced or entered by a Governmental Authority.

“Majority Holders” means the holders of a majority in aggregate principal amount of all notes issued under the Purchase Agreement.

“Maturity Date” has the meaning ascribed to this term in the Preamble.

“Merger Event” has the meaning ascribed to this term in Section 4.2.

“Note” has the meaning ascribed to this term in the Preamble.

“open of business” means 9:00 A.M., New York City time.

“Ordinary Shares” means Class B ordinary shares of the Company, par value US\$0.001 per share, at the date of this Note, subject to Section 4.2.

“outstanding” when used in reference to Ordinary Shares means outstanding directly or in the form of ADSs.

“Permitted Holders” means both (i) Mr. Guosheng Qi or his estates, spouses, ancestors or descendants (and spouses thereof), or the legal representatives of any of the foregoing, or any bona fide trust and trustee of any such bona fide trust, or other entity, that holds the Company’s equity securities pursuant to which one or more of the foregoing are sole beneficiaries or the grantors, or any Person of which any of the foregoing, individually or collectively, beneficially own, as defined in Rule 13d-3 under the Exchange Act, voting securities representing at least a majority of the total voting power of the outstanding capital stock of such Person, and (ii) FutureX Capital Limited, the Holder or any of their respective Affiliates. “Purchase Agreement” has the meaning ascribed to this term in the Preamble.

“Record Date” means, with respect to any dividend, distribution or other transaction or event in which the holders of the Ordinary Shares (or other applicable security) have the right to receive any cash, securities or other property or in which the Ordinary Shares (or such other security) is exchanged for or converted into any combination of cash, securities or other property, the date fixed for determination of security holders entitled to receive such cash, securities or other property (whether such date is fixed by the Board of Directors, statute, contract or otherwise).

“Reference Property” and “unit of Reference Property” have the meanings ascribed thereto in Section 4.2.

“Significant Subsidiary” means a Subsidiary of the Company that meets the definition of “significant subsidiary” in Article 1, Rule 1-02 of Regulation S-X under the Exchange Act (but with all references to “10%” therein being deemed to refer to “15%”).

“Spin-Off” has the meaning ascribed to this term in Section 4.1(c).

“Subsidiary” means, as of the relevant date of determination, with respect to any Person (the “subject entity”), (i) any Person (x) more than fifty percent (50%) of whose shares or other interests entitled to vote in the election of directors or (y) more than fifty percent (50%) interest in the profits or capital of such Person are owned or controlled directly or indirectly by the subject entity or through one or more Subsidiaries of the subject entity, (ii) any Person, including for the avoidance of doubt any “variable interest entity,” whose financial statements, or portions thereof, are or are intended to be consolidated with the financial statements of the subject entity for financial reporting purposes in accordance with GAAP or (iii) any Person with respect to which the subject entity has the sole power to control or otherwise direct the business and policies of that entity directly or indirectly through another subsidiary or otherwise.

“Successor Company” has the meaning ascribed to this term in Section 7.1(a).

“Trading Day” means a day on which (a) trading in the ADSs (or other Company security for which a closing sale price must be determined) generally occurs on the NASDAQ Stock Market or, if the ADSs (or such other security) are not then listed on the NASDAQ Stock Market, on the principal other U.S. national or regional securities exchange on which the ADSs (or such other security) are then listed or, if the ADSs (or such other security) are not then listed on a U.S. national or regional securities exchange, on the principal other market on which the ADSs (or such other security) are then traded and (b) a Last Reported Sale Price for the ADSs (or closing sale price for such other security) is available on such securities exchange or market; provided that if the ADSs (or such other security) are not so listed or traded, “Trading Day” means a Business Day.

“Trigger Event” has the meaning ascribed to this term in Section 4.1(c).

“U.S.” means the United States of America.

“US\$” or “\$” means the United States dollar, the lawful currency of the United States of America.

“Valuation Period” has the meaning ascribed to this term in Section 4.1(c).

ARTICLE 2

INTEREST; PAYMENTS; DEFAULTS

2.1 Interest Rate. The principal amount outstanding under the Note shall bear interest at a rate of 2.80% per annum until maturity or such earlier or later time as the principal becomes due and payable hereunder, whether through redemption upon an Event of Default or otherwise. Interest on the Note shall accrue from the date on which the Note is issued and be compounded on an annual basis and be payable on the Maturity Date. Accrued interest on the Note shall be computed on the basis of the actual number of days elapsed and a year of 365 days.

2.2 Payment. All amounts payable on or in respect of the Note or the indebtedness evidenced hereby shall be paid to the Holder in U.S. dollars, in immediately available funds on the date that any principal or interest is due and payable hereunder. The Company shall make such payments of the due and unpaid principal amount of the Note, together with accrued and unpaid interest thereon, on each such date to the Holder by wire transfer of immediately available funds for the account of the Holder as the Holder may designate from time to time and notify in writing to the Company at least three Business Days prior to each payment date. If any such payment date or the Maturity Date falls on a day that is not a Business Day, the required payment will be made on the next succeeding Business Day and no interest on such payment will accrue in respect of the delay. In no event may the Company make any prepayment of any principal or interest due hereunder prior to the respective dates on which such principal or interest is due and payable without the prior written consent of the Holder.

2.3 **Seniority.** The Note ranks senior in right of payment to any of the Company's future indebtedness that is expressly subordinated in right of payment to the Note, equal in right of payment to any of the Company's future indebtedness and other liabilities of the Company that are not so subordinated, and junior in right of payment to any of the Company's secured indebtedness to the extent of the value of the assets securing such indebtedness.

2.4 **Events of Default.** For purposes of the Note, an "**Event of Default**" shall be deemed to have occurred if any of the following events occur, whatever the reason or cause for such Event of Default and whether it is voluntary or involuntary or is effected by operation of law or pursuant to any judgment, decree or order of any court or any order, rule or regulation of any Governmental Authority or otherwise:

(a) **Failure to Pay Principal.** The Company defaults in the payment of principal of the Note when due and payable on the Maturity Date, upon any required repurchase, upon declaration of acceleration or otherwise.

(b) **Failure to Pay Interest.** The Company defaults in the payment of interest when any such interest payment becomes due and payable and the default continues for a period of 30 calendar days.

(c) **Breach of Conversion Obligation.** The Company fails to comply with its obligation to convert all or a portion of the Note in accordance with **Article 3** upon Holder's exercise of its conversion rights and such failure continues for, or such conversion is not rescinded within, a period of five Business Days.

(d) **Breach of Other Obligations.** The Company fails for 60 calendar days after written notice from the Majority Holders has been received by the Company to comply with any of its other agreements expressly set forth in the Note.

(e) **Cross Default.** Any default by the Company or any Significant Subsidiary of the Company with respect to any mortgage, agreement or other instrument under which there may be outstanding, or by which there may be secured or evidenced, any indebtedness for money borrowed in excess of US\$5,000,000 (or the foreign currency equivalent thereof) in the aggregate of the Company and/or any such Significant Subsidiary, whether such indebtedness now exists or shall hereafter be created (i) resulting in such indebtedness becoming or being declared due and payable or (ii) constituting a failure to pay the principal or interest of any such debt when due and payable at its stated maturity, upon required repurchase, upon declaration of acceleration or otherwise, and such failure to pay shall not have been cured or waived, such required repurchase or acceleration shall not have been rescinded or annulled, or such indebtedness shall not have been repaid, as the case may be, within the cure period, if any, provided in such mortgage, agreement or other instrument after the occurrence of such failure to pay.

(f) **Final Judgment.** A final judgment or judgments for the payment of US \$5,000,000 (or its foreign currency equivalent) or more (excluding any amounts covered by insurance) in the aggregate is rendered against the Company or any Significant Subsidiary of the Company, which judgment is not discharged, paid, bonded, waived or stayed within 30 days after (i) the date on which the right to appeal thereof has expired if no such appeal has commenced, or (ii) the date on which all rights to appeal have been extinguished.

(g) Delisting. At any time after 12 months after the Closing Date, the ADSs (or other Common Equity or American depository shares in respect of Common Equity underlying the Note, as the case may be) cease to be listed or quoted on any of The New York Stock Exchange, The NASDAQ Global Select Market or The NASDAQ Global Market (or any of their respective successors), other than in connection with a Fundamental Change.

2.5 Consequences of Event of Default.

(a) If one or more Events of Default shall have occurred and be continuing, unless the principal of the Note shall have already become due and payable, the Majority Holders may by notice in writing to the Company, declare 100% of the outstanding principal of, and accrued and unpaid interest on, the Note to be due and payable immediately, and upon any such declaration the same shall become and shall automatically be immediately due and payable.

(b) If (1) rescission would not conflict with any arbitral award (or if applicable, any judgment or decree of a court of competent jurisdiction) and (2) any and all existing Events of Default under the Note, other than the nonpayment of the principal of and accrued and unpaid interest on the Note that shall have become due solely by such acceleration, shall have been cured or waived (or are waived concurrently with the rescission or annulment), then the Majority Holders, by written notice to the Company, may waive all defaults or Events of Default with respect to the Note and rescind and annul such declaration and its consequences and such defaults shall cease to exist, and any Event of Default arising therefrom shall be deemed to have been cured for every purpose of the Note; but no such waiver or rescission and annulment shall extend to or shall affect any subsequent Event of Default, nor shall such waiver or rescission impair any right consequent thereon.

(c) Subsection (a) above, however, is subject to the conditions that if, at any time after the outstanding principal of the Note shall have been so declared due and payable, and before any arbitral award for the payment of the monies due shall have been obtained or entered as hereinafter provided, the Company shall pay or shall deposit with the Holder a sum sufficient to pay installments of accrued and unpaid interest upon the Note and the outstanding principal of the Note that shall have become due otherwise than by acceleration (with interest on overdue installments of accrued and unpaid interest to the extent that payment of such interest is enforceable under applicable Law, and on such principal at the rate per annum borne by the Note *plus* (i) 0.25% for the first 90 days (or portion thereof) following the occurrence of such Event of Default and (ii) 0.50% for each of (A) the next 90 days (or portion thereof) after the first 90 days following the occurrence of the Event of Default and (B) any additional 90-day period thereafter (or portion thereof).

2.6 Defaulted Amounts. Any Defaulted Amounts shall accrue interest at a rate per annum equal to the interest rate on the Note *plus* 0.25% of the amount of the Defaulted Amount for the first 90 days (or portion thereof) following the occurrence of the Event of Default and (ii) 0.50% of the Defaulted Amount for each of (A) the next 90 days (or portion thereof) after the first 90 days and (B) any additional 90-day period thereafter (or portion thereof) prior to payment in full of all Defaulted Amounts following the occurrence of the Event of Default, subject to the enforceability thereof under applicable Law, from, and including, such relevant payment date, and such Defaulted Amounts together with such interest thereon shall be paid by the Company to the Holder by wire transfer of immediately available funds in accordance with Section 2.2.

ARTICLE 3
CONVERSION

3.1 Conversion by Holder. Subject to and upon compliance with the provisions of this Article 3, the Holder shall have the right, at the Holder's option, to convert all or any portion (if the portion to be converted is at least US\$2,000,000 or, if the Holder holds less than \$2,000,000 in the Note, such lesser amount) of the outstanding principal of the Note to the Company's fully paid Ordinary Shares, at the then applicable Conversion Rate.

3.2 Conversion Price; Conversion Rate. Subject to adjustments as provided in Article 4, the initial conversion price shall be US\$6.50 per Ordinary Share, representing an initial conversion rate of 15,384.62 Ordinary Shares (the "Conversion Rate") per US\$100,000 principal amount of the Note.

3.3 Conversion Procedure; Settlement Upon Conversion.

(a) Subject to Section 3.3(c), this Note shall be deemed to have been converted immediately prior to the close of business on the date (the "Conversion Date") that the Holder has delivered a duly completed irrevocable written notice (the "Conversion Notice") and the Note for cancellation to the Company. Within five Business Days after the receipt of the Note and the Conversion Notice, the Company shall (i) take all actions and execute all documents necessary to effect the issuance of the full number of Ordinary Shares to which the Holder shall be entitled in satisfaction of any conversion pursuant to Section 3.1, (ii) deliver to the Holder certificate(s) representing the number of Ordinary Shares delivered upon each such conversion and (iii) subject to Section 3.3(c), cancel the Note. No Conversion Notice may be delivered and the Note may not be surrendered by the Holder for conversion thereof if the Holder has delivered a Fundamental Change Repurchase Notice, which is not validly withdrawn, in accordance with Article 5.

(b) The Company shall not issue any fractional Ordinary Share upon conversion of the Note and shall instead pay cash in lieu of any fractional Ordinary Share deliverable upon conversion based on the Last Reported Sale Price of the Ordinary Shares on the relevant Conversion Date.

(c) In the event the Holder surrenders this Note pursuant to Section 3.3(a) for partial conversion, the Company shall, in addition to cancelling the Note upon such surrender, execute and deliver to the Holder a new note denominated in U.S. dollars and in an aggregate principal amount equal to the unconverted portion of the surrendered Note, without payment of any service charge by the Holder.

(d) If the Holder submits the Note for conversion, the Company shall pay any documentary, stamp or similar issue or transfer tax due on the delivery of the Ordinary Shares upon such conversion of the Note, unless the tax is due because the Holder requests such Ordinary Shares to be issued in a name other than the Holder's name, in which case the Holder shall pay that tax.

(e) Upon any conversion, the Holder shall be entitled to receive cash payment for accrued and unpaid interest (if any) to, but not including, the relevant Conversion Date on the principal amount of the Note so converted.

(f) Except as provided in Section 4.1, no adjustment shall be made for dividends on any Ordinary Shares delivered upon any conversion of this Note as provided in this Article 3.

ARTICLE 4
ADJUSTMENTS

4.1 Adjustment of Conversion Rate. The Conversion Rate shall be adjusted from time to time by the Company if any of the following events occurs, except that the Company shall not make any adjustments to the Conversion Rate if the Holder participates (other than in the case of a share split or share combination), at the same time and upon the same terms as holders of the Ordinary Shares (directly or in the form of ADSs) that participate in the event and solely as a result of holding the Note, in any of the transactions described in this Section 4.1, without having to convert the Note, as if it held a number of Ordinary Shares (directly or in the form of ADSs) equal to the Conversion Rate, *multiplied* by the principal amount of the Note held by the Holder.

(a) If the Company exclusively issues Ordinary Shares (directly or in the form of ADSs) as a dividend or distribution on the Ordinary Shares (directly or in the form of ADSs), or if the Company effects a share split or share combination, the Conversion Rate shall be adjusted based on the following formula:

$$CR_1 = CR_0 \times \frac{OS_1}{OS_0}$$

where,

- CR₀ = the Conversion Rate in effect immediately prior to the close of business on the Record Date of such dividend or distribution, or immediately prior to the close of business on the effective date of such share split or share combination, as applicable;
- CR₁ = the Conversion Rate in effect immediately after the close of business on such Record Date or immediately after the close of business on such effective date, as applicable;
- OS₀ = the number of Ordinary Shares outstanding immediately prior to the close of business on such Record Date or immediately prior to the close of business on such effective date, as applicable; and
- OS₁ = the number of Ordinary Shares outstanding immediately after giving effect to such dividend, distribution, share split or share combination.

Any adjustment made under this Section 4.1(a) shall become effective immediately after the close of business on the Record Date for such dividend or distribution, or immediately after the open of business on the effective date for such share split or share combination, as applicable. If any dividend or distribution of the type described in this Section 4.1(a) is declared but not so paid or made, or any share split or combination of the type described in this Section 4.1(a) is announced but the outstanding Ordinary Shares are not split or combined, as the case may be, the Conversion Rate shall be immediately readjusted, effective as of the date the Board of Directors determines not to pay such dividend or distribution, or not to split or combine the outstanding Ordinary Shares, as the case may be, to the Conversion Rate that would then be in effect if such dividend, distribution, share split or share combination had not been declared or announced.

(b) If the Company issues to all or substantially all holders of the Ordinary Shares (directly in or in the form of ADSs) any rights, options or warrants entitling them, for a period of not more than 45 calendar days after the announcement date of such issuance, to subscribe for or purchase Ordinary Shares (directly or in the form of ADSs) at a price per Ordinary Share that is less than the average of the Last Reported Sale Prices of the Ordinary Shares, for the 10 consecutive Trading Day period ending on, and including, the Trading Day immediately preceding the date of announcement of such issuance, the Conversion Rate shall be increased based on the following formula:

$$CR_1 = CR_0 \times \frac{OS_0 + X}{OS_0 + Y}$$

where,

CR₀ = the Conversion Rate in effect immediately prior to the close of business on the Record Date for such issuance;

CR₁ = the Conversion Rate in effect immediately after the close of business on such Record Date;

OS₀ = the number of Ordinary Shares outstanding immediately prior to the close of business on such Record Date;

X = the total number of Ordinary Shares (directly or in the form of ADSs) deliverable pursuant to such rights, options or warrants; and

Y = the number of Ordinary Shares equal to (i) the aggregate price payable to exercise such rights, options or warrants, *divided by* (ii) the average of the Last Reported Sale Prices of the Ordinary Shares over the 10 consecutive Trading Day period ending on, and including, the Trading Day immediately preceding the date of announcement of the issuance of such rights, options or warrants.

Any increase made under this [Section 4.1\(b\)](#) shall be made successively whenever any such rights, options or warrants are issued and shall become effective immediately after the close of business on the Record Date for such issuance. To the extent that Ordinary Shares or ADSs are not delivered after the expiration of such rights, options or warrants, the Conversion Rate shall be readjusted to the Conversion Rate that would then be in effect had the increase with respect to the issuance of such rights, options or warrants been made on the basis of delivery of only the number of Ordinary Shares actually delivered (directly or in the form of ADSs). If such rights, options or warrants are not so issued, the Conversion Rate shall be readjusted to the Conversion Rate that would then be in effect if such Record Date for such issuance had not occurred.

For purposes of this [Section 4.1\(b\)](#), in determining whether any rights, options or warrants entitle the holders to subscribe for or purchase Ordinary Shares (directly or in the form of ADSs) at a price per Ordinary Share that is less than such average of the Last Reported Sale Prices of the Ordinary Shares for the 10 consecutive Trading Day period ending on, and including, the Trading Day immediately preceding the date of announcement of such issuance, and in determining the aggregate offering price of such Ordinary Shares or ADSs, there shall be taken into account any consideration received by the Company for such rights, options or warrants and any amount payable on exercise or conversion thereof, the value of such consideration, if other than cash, to be determined by the Board of Directors.

(c) If the Company distributes shares of its Capital Stock, evidences of its indebtedness, other assets or property of the Company or rights, options or warrants to acquire its Capital Stock or other securities, to all or substantially all holders of the Ordinary Shares (directly or in the form of ADSs), excluding (i) dividends, distributions or issuances as to which an adjustment was effected pursuant to Section 4.1(a) or Section 4.1(b), (ii) dividends or distributions paid exclusively in cash as to which an adjustment was effected pursuant to Section 4.1(d), and (iii) Spin-Offs as to which the provisions set forth below in this Section 4.1(c) shall apply (any of such shares of Capital Stock, evidences of indebtedness, other assets or property of the Company or rights, options or warrants to acquire Capital Stock or other securities of the Company, the “Distributed Property”), then the Conversion Rate shall be increased based on the following formula:

$$CR_1 = CR_0 \times \frac{SP_0}{SP_0 - FMV}$$

where,

- CR₀ = the Conversion Rate in effect immediately prior to the close of business on the Record Date for such distribution;
- CR₁ = the Conversion Rate in effect immediately after the close of business on such Record Date;
- SP₀ = the average of the Last Reported Sale Prices of the Ordinary Shares over the 10 consecutive Trading Day period ending on, and including, the Trading Day immediately preceding the Ex-Dividend Date for such distribution; and
- FMV = the fair market value (as determined by the Board of Directors) of the Distributed Property with respect to each outstanding Ordinary Share (directly or in the form of ADSs) on the Record Date for such distribution.

Any increase made under the portion of this Section 4.1(c) above shall become effective immediately after the close of business on the Record Date for such distribution. If such distribution is not so paid or made, the Conversion Rate shall be readjusted to the Conversion Rate that would then be in effect if such distribution had not been declared. Notwithstanding the foregoing, if “FMV” (as defined above) is equal to or greater than “SP₀” (as defined above), in lieu of the foregoing increase, the Holder shall receive, in respect of each US\$100,000 principal amount thereof, at the same time and upon the same terms as holders of the Ordinary Shares receive the Distributed Property, the amount and kind of Distributed Property the Holder would have received if the Holder owned a number of Ordinary Shares equal to the Conversion Rate in effect on the Record Date for the distribution.

With respect to an adjustment pursuant to this Section 4.1(c) where there has been a payment of a dividend or other distribution on the Ordinary Shares (directly or in the form of ADSs) of shares of Capital Stock of any class or series, or similar equity interest, of or relating to a Subsidiary or other business unit of the Company, that are, or, when issued, will be, listed or admitted for trading on a U.S. national securities exchange (a “Spin-Off”), the Conversion Rate shall be increased based on the following formula:

$$CR_1 = CR_0 \times \frac{FMV_0 + MP_0}{MP_0}$$

where,

CR₀ = the Conversion Rate in effect immediately prior to the end of the Valuation Period;

CR₁ = the Conversion Rate in effect immediately after the end of the Valuation Period;

FMV₀ = the average of the Last Reported Sale Prices of the Capital Stock or similar equity interest distributed to holders of the Ordinary Shares (directly or in the form of ADSs) applicable to one Ordinary Share over the first 10 consecutive Trading Day period after, and including, the Ex-Dividend Date of the Spin-Off (the “Valuation Period”); and

MP₀ = the average of the Last Reported Sale Prices of the Ordinary Shares over the Valuation Period.

The adjustment to the Conversion Rate under the preceding paragraph shall be determined on the last Trading Day of the Valuation Period; provided that in respect of any conversion during the Valuation Period, references in the portion of this Section 4.1(c) related to Spin-Offs with respect to 10 Trading Days shall be deemed to be replaced with such lesser number of Trading Days as have elapsed from, and including, the Ex-Dividend Date of such Spin-Off to, and including, the Conversion Date in determining the Conversion Rate.

For purposes of this Section 4.1(c), rights, options or warrants distributed by the Company to all holders of the Ordinary Shares (directly or in the form of ADSs) entitling the holders thereof to subscribe for or purchase shares of the Company’s Capital Stock, including Ordinary Shares (either initially or under certain circumstances), which rights, options or warrants, until the occurrence of a specified event or events (“Trigger Event”): (i) are deemed to be transferred with such Ordinary Shares (directly or in the form of ADSs); (ii) are not exercisable; and (iii) are also issued in respect of future issuances of the Ordinary Shares (directly or in the form of ADSs), shall be deemed not to have been distributed for purposes of this Section 4.1(c) (and no adjustment to the Conversion Rate under this Section 4.1(c) will be required) until the occurrence of the earliest Trigger Event, whereupon such rights, options or warrants shall be deemed to have been distributed and an appropriate adjustment (if any is required) to the Conversion Rate shall be made under this Section 4.1(c). If any such right, option or warrant, including any such existing rights, options or warrants distributed prior to the date of this Note, are subject to events, upon the occurrence of which such rights, options or warrants become exercisable to purchase different securities, evidences of indebtedness or other assets, then the date of the occurrence of any and each such event shall be deemed to be the date of distribution and Record Date with respect to new rights, options or warrants with such rights (in which case the existing rights, options or warrants shall be deemed to terminate and expire on such date without exercise by any of the holders thereof). In addition, in the event of any distribution (or deemed distribution) of rights, options or warrants, or any Trigger Event or other event (of the type described in the immediately preceding sentence) with respect thereto that was counted for purposes of calculating a distribution amount for which an adjustment to the Conversion Rate under this Section 4.1(c) was made, (1) in the case of any such rights, options or warrants that shall all have been redeemed or repurchased without exercise by any holders thereof, upon such final redemption or repurchase (x) the Conversion Rate shall be readjusted as if such rights, options or warrants had not been issued and (y) the Conversion Rate shall then again be readjusted to give effect to such distribution, deemed distribution or Trigger Event, as the case may be, as though it were a cash distribution, equal to the per Ordinary Share redemption or purchase price received by a holder or holders of Ordinary Shares (directly or in the form of ADSs) with respect to such rights, options or warrants (assuming such holder had retained such rights, options or warrants), made to all holders of Ordinary Shares (directly or in the form of ADSs) as of the date of such redemption or repurchase, and (2) in the case of such rights, options or warrants that shall have expired or been terminated without exercise by any holders thereof, the Conversion Rate shall be readjusted as if such rights, options and warrants had not been issued.

For purposes of Section 4.1(a), Section 4.1(b) and this Section 4.1(c), any dividend or distribution to which this Section 4.1(c) is applicable that also includes one or both of:

(A) a dividend or distribution of Ordinary Shares (directly or in the form of ADSs) to which Section 4.1(a) is applicable (the “Clause A Distribution”); or

(B) a dividend or distribution of rights, options or warrants to which Section 4.1(b) is applicable (the “Clause B Distribution”),

then (1) such dividend or distribution, other than the Clause A Distribution and the Clause B Distribution, shall be deemed to be a dividend or distribution to which this Section 4.1(c) is applicable (the “Clause C Distribution”) and any Conversion Rate adjustment required by this Section 4.1(c) with respect to such Clause C Distribution shall then be made, and (2) the Clause A Distribution and Clause B Distribution shall be deemed to immediately follow the Clause C Distribution and any Conversion Rate adjustment required by Section 4.1(a) and Section 4.1(b) with respect thereto shall then be made, except that, if determined by the Company (I) the “Record Date” of the Clause A Distribution and the Clause B Distribution shall be deemed to be the Record Date of the Clause C Distribution and (II) any Ordinary Shares (directly or in the form of ADSs) included in the Clause A Distribution or Clause B Distribution shall be deemed not to be “outstanding immediately prior to the close of business on such Record Date or immediately after the open of business on such effective date, as applicable” within the meaning of Section 4.1(a) or “outstanding immediately prior to the close of business on such Record Date” within the meaning of Section 4.1(b).

(d) If the Company shall pay a dividend or make a distribution, in each case, consisting of cash to all or substantially all holders of the Ordinary Shares (directly or in the form of ADSs), the Conversion Rate shall be adjusted based on the following formula:

$$CR_1 = CR_0 \times \frac{SP_0}{SP_0 - C}$$

where,

- CR₀ = the Conversion Rate in effect immediately prior to the close of business on the Record Date for such dividend or distribution;
- CR₁ = the Conversion Rate in effect immediately after the close of business on such Record Date;
- SP₀ = the Last Reported Sale Price of the Ordinary Shares on the Trading Day immediately preceding the Ex-Dividend Date for such dividend or distribution; and
- C = the amount in cash per Ordinary Share the Company distributes to all or substantially all holders of the Ordinary Shares (directly or in the form of ADSs).

Any increase pursuant to this [Section 4.1\(d\)](#) shall become effective immediately after the close of business on the Record Date for such dividend or distribution. If such dividend or distribution is not so paid, the Conversion Rate shall be readjusted, effective as of the date the Board of Directors determines not to make or pay such dividend or distribution, to be the Conversion Rate that would then be in effect if such dividend or distribution had not been declared. Notwithstanding the foregoing, if "C" (as defined above) is equal to or greater than "SP₀" (as defined above), in lieu of the foregoing increase, the Holder shall receive, for each US\$100,000 principal amount of the Note, at the same time and upon the same terms as holders of the Ordinary Shares, the amount of cash that the Holder would have received if the Holder owned a number of Ordinary Shares equal to the Conversion Rate on the Record Date for such cash dividend or distribution.

(e) If the Company or any of its Subsidiaries make a payment in respect of a tender offer or exchange offer for the Ordinary Shares (directly or in the form of ADSs), to the extent that the cash and value of any other consideration included in the payment per Ordinary Share exceeds the average of the Last Reported Sale Prices of the Ordinary Shares over the 10 consecutive Trading Day period commencing on, and including, the Trading Day next succeeding the date on which such tender offer or exchange offer expires, the Conversion Rate shall be increased based on the following formula:

$$CR_1 = CR_0 \times \frac{AC + (SP_1 \times OS_1)}{OS_0 \times SP_1}$$

where,

- CR₀ = the Conversion Rate in effect immediately prior to the close of business on the 10th Trading Day immediately following, and including, the Trading Day next succeeding the date such tender offer or exchange offer expires;
- CR₁ = the Conversion Rate in effect immediately after the close of business on the 10th Trading Day immediately following, and including, the Trading Day next succeeding the date such tender offer or exchange offer expires;
- AC = the aggregate value of all cash and any other consideration (as determined by the Board of Directors) paid or payable for Ordinary Shares (directly or in the form of ADSs), as the case may be, purchased in such tender offer or exchange offer;

- OS₀ = the number of Ordinary Shares outstanding immediately prior to the date such tender offer or exchange offer expires (prior to giving effect to the purchase of all Ordinary Shares (directly or in the form of ADSs), accepted for purchase or exchange in such tender offer or exchange offer);
- OS₁ = the number of Ordinary Shares outstanding immediately after the date such tender offer or exchange offer expires (after giving effect to the purchase of all Ordinary Shares (directly or in the form of ADSs), accepted for purchase or exchange in such tender offer or exchange offer); and
- SP₁ = the average of the Last Reported Sale Prices of the Ordinary Shares over the 10 consecutive Trading Day period commencing on, and including, the Trading Day next succeeding the date such tender offer or exchange offer expires.

The adjustment to the Conversion Rate under this Section 4.1(e) shall be determined at the close of business on the 10th Trading Day immediately following, and including, the Trading Day next succeeding the date such tender offer or exchange offer expires; provided that in respect of any conversion within the 10 Trading Days immediately following, and including, the Trading Day next succeeding the expiration date of any tender offer or exchange offer, references in this Section 4.1(e) with respect to 10 Trading Days shall be deemed replaced with such lesser number of Trading Days as have elapsed from, and including, the Trading Day next succeeding the expiration date of such tender offer or exchange offer to, and including, the Conversion Date in determining the Conversion Rate.

(f) Except as stated herein, the Company shall not adjust the Conversion Rate for the issuance of Ordinary Shares or ADSs or any securities convertible into or exchangeable for Ordinary Shares or ADSs or the right to purchase Ordinary Shares or ADSs or such convertible or exchangeable securities.

(g) In addition to those adjustments required by subsections (a), (b), (c), (d) and (e) of this Section 4.1, and to the extent permitted by applicable Law and subject to the applicable rules of the NASDAQ Stock Market and any other securities exchange on which any of the Company's securities are then listed, the Company from time to time may increase the Conversion Rate by any amount for a period of at least 20 Business Days if the Board of Directors determines that such increase would be in the Company's best interest, and the Company may (but is not required to) increase the Conversion Rate to avoid or diminish any income tax to holders of the Ordinary Shares or the ADSs or rights to purchase Ordinary Shares or ADSs in connection with a dividend or distribution of Ordinary Shares or ADSs (or rights to acquire Ordinary Shares or ADSs) or similar event.

(h) Notwithstanding anything to the contrary in this Section 4.1, the Conversion Rate shall not be adjusted:

(i) upon the issuance of any Ordinary Shares or ADSs pursuant to any present or future plan providing for the reinvestment of dividends or interest payable on the Company's securities and the investment of additional optional amounts in Ordinary Shares or ADSs under any plan;

(ii) upon the issuance of any Ordinary Shares or ADSs or options or rights to purchase those Ordinary Shares or ADSs pursuant to any present or future employee, director or consultant benefit plan or program of or assumed by the Company or any of the Company's Subsidiaries;

(iii) upon the issuance of any Ordinary Shares or ADSs pursuant to any option, warrant, right or exercisable, exchangeable or convertible security not described in clause (ii) of this subsection and outstanding as of the date this Note was first issued;

(iv) solely for a change in the par value of the Ordinary Shares or ADSs;

(v) for accrued and unpaid interest, if any; or

(vi) for the sale or issuance of any Ordinary Shares or ADSs or securities convertible into or exercisable for any Ordinary Shares or ADSs for cash, including at a price per share less than the fair market value thereof or otherwise, except as described in subsection (a), (b), (c), (d) or (e) of this Section 4.1.

(i) All calculations and other determinations under this Section 4.1 shall be made by the Company and shall be made to the nearest one-ten thousandth (1/10,000) of an Ordinary Share.

(j) Whenever the Conversion Rate is adjusted as herein provided, the Company shall promptly prepare a notice of such adjustment of the Conversion Rate setting forth the adjusted Conversion Rate and the date on which each adjustment becomes effective and shall deliver such notice of such adjustment of the Conversion Rate to the Holder.

(k) For purposes of this Article 4, the number of Ordinary Shares at any time outstanding shall not include Ordinary Shares held in the treasury of the Company (directly or in the form of ADSs) so long as the Company does not pay any dividend or make any distribution on Ordinary Shares held in the treasury of the Company (directly or in the form of ADSs), but shall include Ordinary Shares issuable in respect of scrip certificates issued in lieu of fractions of Ordinary Shares.

(l) For purposes of this Section 4.1, the "effective date" means the first date on which the ADSs trade on the applicable exchange or in the applicable market, regular way, reflecting the relevant share split or share combination, as applicable.

4.2 Effect of Recapitalizations, Reclassifications and Changes of the Ordinary Shares.

(a) In the case of:

(i) any recapitalization, reclassification or change of the Ordinary Shares (directly or in the form of ADSs) (other than changes resulting from a subdivision or combination),

- (ii) any consolidation, merger, combination or similar transaction involving the Company,
- (iii) any sale, lease or other transfer to a third party of all or substantially all of the consolidated assets of the Company and the Company's Subsidiaries; or
- (iv) any statutory share exchange,

in each case, as a result of which the Ordinary Shares (directly or in the form of ADSs) would be converted into, or exchanged for, stock, other securities, other property or assets (including cash or any combination thereof) (any such event, a "Merger Event"), then, prior to or at the effective time of such Merger Event, the Company or the successor or purchasing Person, as the case may be, shall execute an amendment to this Note providing that, at and after the effective time of such Merger Event, the right to convert the Note shall be changed into a right to convert the Note into the kind and amount of shares of stock, other securities or other property or assets (including cash or any combination thereof) that a holder of a number of Ordinary Shares equal to the Conversion Rate immediately prior to such Merger Event would have owned or been entitled to receive (the "Reference Property," with each "unit of Reference Property" meaning the kind and amount of Reference Property that a holder of one Ordinary Share is entitled to receive) upon such Merger Event; provided, however, that at and after the effective time of the Merger Event the number of Ordinary Shares otherwise deliverable upon any conversion of the Note in accordance with Article 3 shall instead be deliverable in the amount and type of Reference Property that a holder of that number of Ordinary Shares would have been entitled to receive in such Merger Event.

If the Merger Event causes the Ordinary Shares (directly or in the form of ADSs) to be converted into, or exchanged for, the right to receive more than a single type of consideration (determined based in part upon any form of holder election), then (i) (A) the Reference Property into which the Note will be convertible shall be deemed to be the weighted average of the types and amounts of consideration received by the holders of Ordinary Shares (directly or in the form of ADSs) that affirmatively make such an election or (B) if no such holders affirmatively make such an election, the types and amounts of consideration actually received by such holders, and (ii) the unit of Reference Property for purposes of the immediately preceding paragraph shall refer to the consideration referred to in clause (i) attributable to one Ordinary Share. The Company shall provide written notice to the Holder of such weighted average as soon as practicable after such determination is made.

Such amendment described in the second immediately preceding paragraph shall provide for adjustments that shall be as nearly equivalent as is practicable to the adjustments provided for in this Article 4 (it being understood that no such adjustments shall be required with respect to any portion of the Reference Property that does not consist of shares of Common Equity (however evidenced) or depositary receipts in respect thereof). If, in the case of any Merger Event, the Reference Property includes shares of stock, securities or other property or assets (including cash or any combination thereof) of a Person other than the Company or the successor or purchasing Person, as the case may be, in such Merger Event, then such other Person shall also execute such amendment, and such amendment shall contain such additional provisions to protect the interests of the Holder as the Board of Directors shall reasonably consider necessary by reason of the foregoing.

(b) None of the foregoing provisions shall affect the right of the Holder to convert this Note into Ordinary Shares as set forth in Article 3 prior to the effective date of such Merger Event.

(c) The above provisions of this Section 4.2 shall similarly apply to successive Merger Events.

4.3 No Adjustment. Notwithstanding anything herein to the contrary, no adjustment under this Article 4 shall be required to be made to the Conversion Rate if the Company receives written notice from the Holder that no such adjustment is required.

4.4 Certain Covenants.

(a) The Company covenants that all Ordinary Shares delivered upon any conversion of this Note will be fully paid and non-assessable by the Company and free from all liens and charges with respect to the issue thereof.

(b) The Company covenants that if any Ordinary Shares to be provided for the purpose of any conversion of this Note require approval of any Governmental Authority under any Law before such Ordinary Shares may be validly issued upon conversion, the Company will, to the extent then permitted by applicable Law, secure such approval, as the case may be.

(c) The parties hereto acknowledge and agree that the Holder may only resell the Note, the Ordinary Shares delivered upon conversion of all or any portion of the Note or any ADS representing such Ordinary Shares pursuant to an effective registration statement or an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and other applicable securities Laws.

4.5 Notice for Certain Actions. In case of any (a) action by the Company that would require an adjustment in the Conversion Rate pursuant to Section 4.1, (b) Merger Event or (c) voluntary or involuntary dissolution, liquidation or winding-up of the Company, then, in each case (unless notice of such event is otherwise required pursuant to another provision of this Note), the Company shall deliver a notice to the Holder, as promptly as possible but in any event at least 20 calendar days prior to the applicable date hereinafter specified, stating (i) the date on which a record is to be taken for the purpose of such action by the Company or, if a record is not to be taken, the date as of which the holders of Ordinary Shares or ADSs, as the case may be, of record are to be determined for the purposes of such action by the Company, or (ii) the date on which such Merger Event, dissolution, liquidation or winding-up is expected to become effective or occur, and the date as of which it is expected that holders of Ordinary Shares or ADSs, as the case may be, of record shall be entitled to exchange their Ordinary Shares or ADSs, as the case may be, for securities or other property deliverable upon such Merger Event, dissolution, liquidation or winding-up. Failure to give such notice, or any defect therein, shall not affect the legality or validity of such action by the Company or one of its Subsidiaries, Merger Event, dissolution, liquidation or winding-up.

ARTICLE 5
REPURCHASE AT OPTION OF THE HOLDER UPON A FUNDAMENTAL CHANGE

5.1 Option of the Holder upon a Fundamental Change. If a Fundamental Change occurs at any time from the date of issuance of the Note to, but excluding, the Maturity Date, the Holder shall have the right, at its option, to require the Company to repurchase for cash all of the Note on the date (the “Fundamental Change Repurchase Date”) notified in writing by the Company that is not less than 20 Business Days or more than 40 Business Days following the date of the Fundamental Change Company Notice at a repurchase price equal to 100% of the principal amount thereof, plus accrued and unpaid interest thereon to, but excluding, the Fundamental Change Repurchase Date (the “Fundamental Change Repurchase Price”).

5.2 Delivery of Notice and the Note by the Holder.

(a) Repurchases of the Note under this Section 5.2 shall be made, at the option of the Holder thereof, upon: (A) delivery by the Holder to the Company of a duly completed notice (the “Fundamental Change Repurchase Notice”), in the form attached hereto as Annex A, on or before the close of business on the second Business Day immediately preceding the Fundamental Change Repurchase Date; and (B) delivery of the Note to the Company at any time after delivery of the Fundamental Change Repurchase Notice (together with all necessary endorsements for transfer), such delivery being a condition to receipt by the Holder of the Fundamental Change Repurchase Price therefor.

(b) Each Fundamental Change Repurchase Notice delivered pursuant to this Section 5.2 shall state that the Note is to be repurchased by the Company pursuant to the applicable provisions of this Note.

(c) Notwithstanding anything herein to the contrary, the Holder shall have the right to withdraw, in whole or in part, such Fundamental Change Repurchase Notice at any time prior to the close of business on the second Business Day immediately preceding the Fundamental Change Repurchase Date by delivery of a written notice of withdrawal to the Company in accordance with Section 5.5.

5.3 Fundamental Change Company Notice. On or before the 20th calendar day prior to the occurrence of the effective date of a Fundamental Change, the Company shall provide to the Holder a written notice (the “Fundamental Change Company Notice”) of the proposed effective date of the Fundamental Change and of the repurchase right at the option of the Holder arising as a result thereof. Each Fundamental Change Company Notice shall specify:

- (a) the events causing the Fundamental Change;
- (b) the proposed date of the Fundamental Change;
- (c) the last date on which the Holder may exercise the repurchase right pursuant to this Article 5;
- (d) the Fundamental Change Repurchase Price;
- (e) the Fundamental Change Repurchase Date;

(f) if applicable, the Conversion Rate and any adjustments to the Conversion Rate;

(g) that the Note with respect to which a Fundamental Change Repurchase Notice has been delivered by a Holder may be converted only if the Holder withdraws Fundamental Change Repurchase Notice in accordance with the terms of this Note; and

(h) the procedures that the Holder must follow to require the Company to repurchase the Note.

No failure of the Company to give the foregoing notices and no defect therein shall limit the Holder's repurchase rights or affect the validity of the proceedings for the repurchase of the Note pursuant to this Section 5.3. For the avoidance of doubt, in the event that the Fundamental Change does not occur on or prior to the Fundamental Change Repurchase Date, the Fundamental Change Company Notice shall be deemed withdrawn automatically as if never given and the Company shall have no obligation whatsoever with respect to such notice (including payment of the Fundamental Change Repurchase Price set forth therein).

5.4 No Repurchase in the Event of Acceleration. Notwithstanding the foregoing, the Note may not be repurchased by the Company on any date at the option of the Holder upon a Fundamental Change if the principal amount of the Note has been accelerated, and such acceleration has not been rescinded, on or prior to such date (except in the case of an acceleration resulting from a default by the Company in the payment of the Fundamental Change Repurchase Price with respect to the Note).

5.5 Withdrawal of Fundamental Change Repurchase Notice. A Fundamental Change Repurchase Notice may be withdrawn by means of a duly completed written notice of withdrawal delivered to the Company at any time prior to the close of business on the second Business Day immediately preceding the Fundamental Change Repurchase Date.

5.6 Payment of Fundamental Change Repurchase Price.

(a) On or prior to 10:00 a.m., New York City time, on the Fundamental Change Repurchase Date, the Company shall set aside, segregate and hold in trust for the benefit of the Holder an amount of money sufficient to repurchase the Note (or the applicable portion thereof) to be repurchased at the appropriate Fundamental Change Repurchase Price. Payment for the Note (or the applicable portion thereof) surrendered for repurchase (and not withdrawn in accordance with Section 5.5) will be made on the later of (i) the Fundamental Change Repurchase Date (provided the Holder has satisfied the conditions in Section 5.1) and (ii) the time of delivery of the Note (or the applicable portion thereof) to the Company by the Holder in the manner required by Section 5.2, by mailing (or causing to be mailed) checks for the amount payable to the Holder.

(b) If by 10:00 a.m., New York City time, on the Fundamental Change Repurchase Date, the Company holds money sufficient to make payment on the Note (or the applicable portion thereof) to be repurchased on such Fundamental Change Repurchase Date then, with respect to the Note (or the applicable portion thereof) that has been properly surrendered for repurchase and not validly withdrawn, on such Fundamental Change Repurchase Date, (i) such portion of the Note will cease to be outstanding, (ii) interest will cease to accrue on such portion of the Note and (iii) in the event the entire outstanding amount of the Note is surrendered by the Holder to be repurchased, all other rights of the Holder will terminate (other than the right to receive the Fundamental Change Repurchase Price).

(c) In the event a portion of the Note that is less than the entire outstanding amount is surrendered by the Holder to be repurchased in accordance with Section 5.2, the Company shall execute and deliver to the Holder a new Note in an authorized denomination equal in principal amount to the unreurchased portion of the Note.

5.7 No Other Repurchase. Except as expressly provided in this Article 5, the Holder shall not have the right to require the Company to repurchase the Note, whether in whole or in part, prior to the Maturity Date.

ARTICLE 6 COVENANTS

6.1 Payment of Principal and Interest. The Company covenants and agrees that it will cause to be paid the principal of, and accrued and unpaid interest on, this Note at the respective times and in the manner provided herein.

6.2 Existence. The Company shall do or cause to be done all things necessary to preserve and keep in full force and effect its corporate existence.

6.3 No Withholding. All payments and deliveries made by, or on behalf of, the Company or any successor to the Company under or with respect to the Note, including, but not limited to, payments of principal, payments of interest and deliveries of Ordinary Shares (together with any cash payment in lieu of any fractional Ordinary Share) upon conversion of the Note, shall be made without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or within any jurisdiction in which the Company or any successor to the Company is, for tax purposes, organized or resident or doing business or through which payment is made or deemed made (or any political subdivision or taxing authority thereof or therein), unless such withholding or deduction is required by Law or by regulation or governmental policy having the force of Law.

6.4 Stay, Extension and Usury Laws. The Company covenants (to the extent that it may lawfully do so) that it shall not at any time insist upon, plead, or in any manner whatsoever claim or take the benefit or advantage of, any stay, extension or usury law or other Law that would prohibit or forgive the Company from paying all or any portion of the principal of or interest on this Note as contemplated herein, wherever enacted, now or at any time hereafter in force, or that may affect the covenants or the performance of this Note; and the Company (to the extent it may lawfully do so) hereby expressly waives all benefit or advantage of any such Law.

6.5 Statements as to Events of Defaults. The Company shall deliver to the Holder, as soon as practicable, and in any event within 30 calendar days after the Company becomes aware of the occurrence of any Event of Default if such Event of Default is then continuing, a notice setting forth the details of such Event of Default, its status and the action that the Company is taking or proposing to take in respect thereof.

6.6 Deposit to ADS Facility. If the Holder elects to convert the Note in whole or in part and requests that the Ordinary Shares issued on conversion be deposited with the ADS Depository, the Company will use its commercially reasonable efforts to cause the ADS Depository to issue ADSs upon deposit of the underlying Ordinary Shares (where eligible) held by the Holder promptly after receipt of such request, it being understood that the Holder shall bear any fees payable to the ADS Depository for the conversion of such Ordinary Shares into ADSs.

6.7 Further Instruments and Acts. Upon request of the Holder, the Company will execute and deliver such further instruments and do such further acts as may be reasonably necessary or proper to carry out more effectively the purposes of the Note.

ARTICLE 7
CONSOLIDATION, MERGER, SALE, CONVEYANCE AND LEASE

7.1 Company May Consolidate, Etc. on Certain Terms. Subject to the provisions of Section 7.2, the Company shall not consolidate with, or merge with or into, or sell, convey, transfer or lease all or substantially all of its properties and assets to any other Person, unless:

(a) either (i) the resulting, surviving or transferee Person (the “Successor Company”) shall be the Company or (ii) the Successor Company (if not the Company) shall expressly assume all of the obligations of the Company under this Note; and

(b) immediately after giving effect to such transaction, no default or Event of Default, and no event which, after notice or lapse of time or both, would become an Event of Default, shall have occurred and be continuing under this Note.

For purposes of this Section 7.1, the sale, conveyance, transfer or lease of all or substantially all of the properties and assets of one or more Subsidiaries of the Company to another Person, which properties and assets, if held by the Company instead of such Subsidiaries, would constitute all or substantially all of the properties and assets of the Company and its Subsidiaries on a consolidated basis, shall be deemed to be the sale, conveyance, transfer or lease of all or substantially all of the properties and assets of the Company to another Person.

7.2 Successor Corporation to Be Substituted. In case of any such consolidation, merger, sale, conveyance, transfer or lease and upon the assumption by the Successor Company of the due and punctual payment of the principal of and accrued and unpaid interest on the Note, the due and punctual delivery or payment, as the case may be, of any consideration due upon conversion of the Note and the due and punctual performance of all of the covenants and conditions of this Note to be performed by the Company, such Successor Company (if not the Company) shall succeed to and, except in the case of a lease of all or substantially all of the Company’s properties and assets, shall be substituted for the Company, with the same effect as if it had been named herein as the party of the first part. Such Successor Company thereupon may cause the Note to be signed and re-issued in its own name. The Note as so re-issued shall in all respects have the same legal rank and benefit as though it had been issued at the date of the execution hereof. In the event of any such consolidation, merger, sale, conveyance or transfer (but not in the case of a lease), upon compliance with this Article 7 the Person named as the “Company” in the first paragraph of this Note (or any successor that shall thereafter have become such in the manner prescribed in this Article 7) may be dissolved, wound up and liquidated at any time thereafter and, except in the case of a lease, such Person shall be released from its liabilities as obligor and maker of this Note and from its obligations under this Note.

In case of any such consolidation, merger, sale, conveyance, transfer or lease, such changes in phraseology and form (but not in substance) may be made in the Note thereafter to be re-issued as may be appropriate.

ARTICLE 8
NO RIGHTS AS SHAREHOLDER PRIOR TO CONVERSION

For the avoidance of doubt, the Holder hereby acknowledges and agrees that it has not been conferred with any of the rights of a shareholder of the Company, including the right to vote as such, by any of the provisions hereof or any right (a) to vote for the election of directors or upon any matter submitted to shareholders at any meeting thereof, (b) to give or withhold consent to any corporate action (whether upon any recapitalization, issuance of shares, reclassification of shares, change of par value, or change of shares to no par value, consolidation, merger, scheme of arrangement, conveyance, or otherwise), (c) to receive notice of meetings or to receive in-kind dividends or subscription rights or otherwise until the Note shall have been converted and Ordinary Shares issuable upon the conversion hereof shall have been issued, as provided for in the Note.

ARTICLE 9
CANCELLATION

After all amounts at any time owing on the Note have been paid in full or upon the conversion of the Note in full pursuant to Article 3, the Note shall be surrendered to the Company for cancellation and shall not be reissued.

ARTICLE 10
REDEMPTION

This Note shall not be redeemable by the Company prior to the Maturity Date, and no sinking fund is provided for this Note.

ARTICLE 11
MISCELLANEOUS

11.1 Termination of Rights. All rights under this Note shall terminate when (a) all amounts at any time owing on this Note have been paid in full or (b) the Note is converted in full pursuant to the terms set forth in Article 3.

11.2 Amendments and Waivers; Notice. The amendment or waiver of any term of the Note shall be subject to the written consent of the Majority Holders and the Company. The provision of notice shall be made pursuant to the terms of the Purchase Agreement.

11.3 Transferability.

(a) The Note and the Ordinary Shares issuable upon conversion of the Note may only be disposed of pursuant to an effective registration statement under, and in compliance with the requirements of, the Securities Act, or pursuant to an available exemption from the registration requirements of the Securities Act, and in compliance with any other applicable securities Laws.

(b) The Holder shall not, at any time from the date herein to the date that is six (6) months thereafter, directly or indirectly, (i) offer, sell, pledge, transfer, assign or otherwise dispose of all or any part of the Note, any Conversion Shares, any Ordinary Shares, ADSs or other securities of the Company (collectively, "Lock-Up Securities") to any third party, (ii) enter into any swap, short sale or any other arrangement or any transaction that transfers, in whole or in part, directly or indirectly, the economic consequence of ownership of any Lock-Up Securities, (iii) enter into any agreement with respect to any of the foregoing, or (iv) publicly disclose the intention to effect any of the foregoing, without, in each case, the prior written consent of the Company.

(c) The Holder agrees to the imprinting, until no longer required hereby, of a legend on any certificate evidencing any Ordinary Shares issuable upon conversion of the Note to the following effect:

THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND MAY NOT BE SOLD, TRANSFERRED, ASSIGNED, PLEDGED OR HYPOTHECATED EXCEPT PURSUANT TO REGISTRATION UNDER THE SECURITIES ACT OR PURSUANT TO AN AVAILABLE EXEMPTION FROM REGISTRATION. HEDGING TRANSACTIONS INVOLVING THE SECURITIES REPRESENTED HEREBY MAY NOT BE CONDUCTED UNLESS IN COMPLIANCE WITH THE SECURITIES ACT. THIS CERTIFICATE MUST BE SURRENDERED TO THE COMPANY OR ITS TRANSFER AGENT AS A CONDITION PRECEDENT TO THE SALE, PLEDGE, HYPOTHECATION OR ANY OTHER TRANSFER OF ANY INTEREST IN ANY OF THE SECURITIES REPRESENTED BY THIS CERTIFICATE.

11.4 Governing Law; Dispute Resolution.

(a) This Note shall be governed by and construed in accordance with the laws of Hong Kong, without regard to the principles of conflict of laws.

(b) Any dispute, controversy, difference or claim arising out of or relating to this Note, including its existence, validity, interpretation, performance, breach or termination or any dispute regarding non-contractual obligations arising out of or relating to it, shall be referred to and finally resolved by arbitration administered by the Hong Kong International Arbitration Centre ("HKIAC") under the HKIAC Administered Arbitration Rules (the "HKIAC Rules") in force when the notice of arbitration is submitted. The law of this arbitration clause shall be Hong Kong law. The seat of arbitration shall be Hong Kong. The arbitration tribunal shall consist of three arbitrators to be appointed in accordance with the HKIAC Rules. Any party may apply for a preservation order or seek other interim or injunctive relief, and judgment upon an award rendered in arbitration proceedings under this Note may be applied for and entered, in each case in any court of competent jurisdiction.

11.5 Delays or Omissions. No delay or failure by any party to insist on the strict performance of any provision of the Note, or to exercise any power, right or remedy, will be deemed a waiver or impairment of such performance, power, right or remedy or of any other provision of the Note, nor shall it be construed to be a waiver of any breach or default, or an acquiescence therein, or of or in any similar breach or default thereafter occurring.

11.6 Interpretation. If any claim is made by a party relating to any conflict, omission or ambiguity in the provisions of the Note, no presumption or burden of proof or persuasion will be implied because the Note was prepared by or at the request of any party or its counsel.

11.7 Provisions Binding on Company's Successors. All the covenants, stipulations, promises and agreements of the Company contained in this Note shall bind its successors and assigns whether so expressed or not.

11.8 Official Acts by Successor Corporation. Any act or proceeding by any provision of this Note authorized or required to be done or performed by any board, committee or officer of the Company shall and may be done and performed with like force and effect by the like board, committee or officer of any corporation or other entity that shall at the time be the lawful sole successor of the Company.

11.9 Force Majeure. In no event shall the Company be responsible or liable for any failure or delay in the performance of its obligations hereunder arising out of or caused by, directly or indirectly, forces beyond its control, including, without limitation, strikes, work stoppages, accidents, acts of war or terrorism, civil or military disturbances, nuclear or natural catastrophes or acts of God, and interruptions, loss or malfunctions of utilities, communications or computer (software and hardware) services; it being understood that the Company shall use reasonable efforts to resume performance as soon as practicable under the circumstances.

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IN WITNESS WHEREOF, the Company has caused the Note to be issued on the date first above written.

COMPANY:

Gridsum Holding Inc.

By: /s/ Guosheng Qi
(Signature)

Name: Guosheng Qi
Title: Director

[Signature Page to Convertible Note]

ANNEX A
FORM OF FUNDAMENTAL CHANGE REPURCHASE NOTICE

To: Gridsum Holding Inc.

The undersigned, being the Holder of the \$40,000,000 convertible note issued by Gridsum Holding Inc. (the "Company") on May 5, 2018, hereby acknowledges receipt of a notice from the Company as to the occurrence of a Fundamental Change with respect to the Company and specifying the Fundamental Change Repurchase Date, and requests the Company to pay to the Holder the Fundamental Change Repurchase Price in accordance with Article 5 of such note.

[Insert account details]

Dated: _____

[NAME OF HOLDER]

By: _____
Name: _____
Title: _____

Annex A

REGISTRATION RIGHTS AGREEMENT

THIS REGISTRATION RIGHTS AGREEMENT (this “**Agreement**”) is entered into on May 5, 2018 (the “**Effective Date**”), by and among:

- (1) Gridsum Holding Inc., a company organized and existing under the laws of the Cayman Islands (the “**Company**”), and
- (2) the investors listed in Schedule I attached hereto (the “**Investors**”, and each an “**Investor**”).

Each of the Company and the Investors is referred to herein individually as a “**Party**” and collectively as the “**Parties.**”

RECITALS

- A. This Agreement is made pursuant to the Convertible Note Purchase Agreement, dated as of April 30, 2018, between the Company and each Investor (the “**Purchase Agreement**”).

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing recitals, the mutual promises hereinafter set forth, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties intending to be legally bound hereto hereby agree as follows:

1. **Definitions.** The following terms shall have the meanings ascribed to them below:

“**Affiliate**” means, with respect to any specified Person, any other Person that, directly or indirectly, Controls, is Controlled by or is under common Control with such Person, and with respect to an individual, anyone who is a Relative.

“**Agreement**” has the meaning set forth in the Preamble of this Agreement.

“**Business Day**” means any day that is not a Saturday, a Sunday or other day on which banking institutions in the Cayman Islands, the State of New York, Beijing, or Hong Kong are required by Law to be closed.

“**Board**” or “**Board of Directors**” means the board of directors of the Company.

“**Company**” has the meaning set forth in the Preamble hereof.

“**Control**” of a given Person means the power or authority, whether exercised or not, to direct or cause the direction of the business, management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise, which power or authority shall conclusively be presumed to exist upon possession of beneficial ownership or power to direct the vote of more than fifty percent (50%) of the votes entitled to be cast at a meeting of the members or shareholders of such Person or power to control the composition of a majority of the board of directors of such Person; the term “Controlled” has the meaning correlative to the foregoing.

“**Convertible Note**” means each of the one or more convertible notes issued pursuant to the Purchase Agreement.

“**Effective Date**” has the meaning set forth in the Preamble of this Agreement.

“**Equity Securities**” means, with respect to a Person, any shares, share capital, registered capital, ownership interest, equity interest, or other equity securities, and any option, warrant, or right to subscribe for, acquire or purchase any of the foregoing, or any other security or instrument convertible into or exercisable or exchangeable for any of the foregoing, or any equity appreciation, phantom equity, equity

plans or similar rights with respect to such Person, and, with respect to the Company, shall include any Ordinary Shares and Ordinary Share Equivalents of the Company.

“**Governmental Authority**” means any federal, national, supranational, state, provincial, local, municipal or other government, any governmental, quasi-governmental, supranational, judicial, regulatory or administrative authority (including any governmental division, department, agency, commission, instrumentality, organization, unit or body, political subdivision, and any court or other tribunal) or any stock exchange, any court, tribunal or arbitrator or self-regulatory organization (including the NASDAQ) with competent jurisdiction.

“**Hong Kong**” means the Hong Kong Special Administrative Region of the PRC.

“**Investors**” has the meaning set forth in the Preamble of this Agreement.

“**Law**” or “**Laws**” means any statute, law, ordinance, regulation, rule, code, order, judgment, writ, injunction, decree or requirement of law (including common law) enacted, issued, promulgated, enforced or entered by a Governmental Authority.

“**Ordinary Share Equivalents**” means warrants, options and rights exercisable for Ordinary Shares and instruments convertible into or exchangeable for Ordinary Shares.

“**Ordinary Shareholders**” mean the holders of Ordinary Shares.

“**Ordinary Shares**” means the Company’s Class B Ordinary Shares, par value US\$0.001 per share.

“**Party**” or “**Parties**” have the meaning set forth in the Preamble of this Agreement.

“**Person**” means an individual, a corporation, a limited liability company, an association, a partnership, a joint venture, a joint stock company, a trust, an unincorporated organization or a Governmental Authority.

“**Permitted Transferee**” means, with respect to any Investor, an entity Controls, Controlled by, or under common Control with any Investor; provided, that such Investor that is a corporation may freely transfer any of its Equity Securities to any shareholder of such Investor; and any Investor which is a limited or general partnership may freely transfer any of its Equity Securities to its partners and to affiliated partnerships managed by the same management company or managing (general) partner or by an entity which controls, is controlled by, or is under common control with, such management company or managing (general) partner. In the case of the Investors, a Permitted Transferee includes any of their respective Affiliates.

“**PRC**” means the People’s Republic of China, but solely for the purposes of this Agreement, excluding the Hong Kong Special Administrative Region, the Macau Special Administrative Region and the islands of Taiwan.

“**Purchase Agreement**” has the meaning set forth in the Recitals of this Agreement.

“**Relative**” means a husband, wife, father, mother, son, daughter, brother, sister, grandparent, grandchild, or spouse of any of these, or a person living in the same household with an individual.

“**Shareholders**” means the Ordinary Shareholders and, upon the conversion of the Convertible Note (as defined below), held by an Investor, such Investor, and “**Shareholder**” means any one of them.

2. **Registration Rights.** The Company hereby grants to the Investors such registration rights as set forth on Schedule II.

3. Miscellaneous.

3.1 Further Assurances. Upon the terms and subject to the conditions herein, each of the Parties hereto agrees to use its best efforts to take or cause to be taken all action, to do or cause to be done, to execute such further instruments, and to assist and cooperate with the other Parties hereto in doing, all things necessary, proper or advisable under applicable Laws or otherwise to consummate and make effective, in the most expeditious manner practicable, the transactions contemplated by this Agreement and, to the extent reasonably requested by another Party, to enforce rights and obligations pursuant hereto.

3.2 Assignments and Transfers. Except as otherwise provided herein, this Agreement and the rights and obligations of the Parties hereunder shall inure to the benefit of, and be binding upon, their respective successors, permitted assigns and legal representatives. The rights of any Investor hereunder (including, without limitation, registration rights) are assignable only in connection with the transfer (subject to applicable securities Laws and other Laws) of Registrable Securities held by such Investor (i) to its Permitted Transferees, or (ii) to any other transferee who will hold at least 30% of all Registrable Securities on an as-converted basis after such transfer, in each case in compliance with the Purchase Agreement and the Convertible Note, but only to the extent of such transfer, and any such transferee shall execute and deliver to the Company and the other parties hereto a deed of adherence in the form attached hereto as Exhibit A becoming a party hereto as an "Investor" subject to the terms and conditions hereof. This Agreement and the rights and obligations of any party hereunder shall not otherwise be assigned without the mutual written consent of the other Parties; provided that each Investor may assign any or all of its rights and obligations to an Affiliate of such Investor (including, without limitation, its Permitted Transferees) without consent of the other parties under this Agreement.

3.3 Governing Law. This Agreement shall be governed by and construed under the Laws of Hong Kong, without regard to principles of conflict of laws thereunder.

3.4 Dispute Resolution.

(i) Any dispute, controversy or claim arising out of, in connection with or relating to this Agreement, including the interpretation, validity, invalidity, breach or termination thereof, shall be settled by arbitration.

(ii) The arbitration shall be conducted in Hong Kong under the Hong Kong International Arbitration Centre Administered Arbitration Rules in force when the notice of arbitration is submitted in accordance with the said Rules. The language of arbitration shall be English and the number of arbitrators shall be three.

(iii) Each party shall cooperate with the other in making full disclosure of and providing complete access to all information and documents requested by the other in connection with such arbitration proceedings, subject only to any doctrine of legal privilege or any confidentiality obligations binding on such party.

(iv) The costs of arbitration shall be borne by the losing party, unless otherwise determined by the arbitration tribunal.

(v) When any dispute occurs and when any dispute is under arbitration, except for the matters in dispute, the parties shall continue to fulfill their respective obligations and shall be entitled to exercise their rights under this Agreement.

(vi) The award of the arbitration tribunal shall be final and binding upon the parties, and the prevailing party may apply to a court of competent jurisdiction for enforcement of such award.

(vii) Regardless of anything else contained herein, either party shall be entitled to seek preliminary injunctive relief from any court of competent jurisdiction pending the conclusion of the arbitration.

3.5 Notices. Any notice required or permitted pursuant to this Agreement shall be given in writing and shall be given either personally or by sending it by next-day or second-day courier service, fax, electronic mail or similar means to the address as shown below the signature of such party on Schedule III (or at such other address as such party may designate by fifteen (15) days' advance written notice to the other parties to this Agreement given in accordance with this Section 3.5). Where a notice is given personally, delivery shall be deemed to have been effected on receipt (or when delivery is refused). Where a notice is sent by next-day or second-day courier service,

service of the notice shall be deemed to be effected by properly addressing, pre-paying and sending by next-day or second-day service through an internationally-recognized courier a letter containing the notice, with a confirmation of delivery, and to have been effected on receipt (or when delivery is refused). Where a notice is sent by fax or electronic mail, service of the notice shall be deemed to be effected by properly addressing, and sending such notice through a transmitting organization, with a written confirmation of delivery, and to have been effected on the day the same is sent as aforesaid if sent during normal business hours of the recipient, otherwise on the next Business Day.

3.6 Rights Cumulative. Each and all of the various rights, powers and remedies of a Party hereto will be considered to be cumulative with and in addition to any other rights, powers and remedies which such Party may have at law or in equity in the event of the breach of any of the terms of this Agreement. The exercise or partial exercise of any right, power or remedy will neither constitute the exclusive election thereof nor the waiver of any other right, power or remedy available to such Party.

3.7 Severability. In case any provision of this Agreement shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby. If, however, any provision of this Agreement shall be invalid, illegal, or unenforceable under any such applicable Law in any jurisdiction, it shall, as to such jurisdiction, be deemed modified to conform to the minimum requirements of such Law, or, if for any reason it is not deemed so modified, it shall be invalid, illegal, or unenforceable only to the extent of such invalidity, illegality, or limitation on enforceability without affecting the remaining provisions of this Agreement, or the validity, legality, or enforceability of such provision in any other jurisdiction.

3.8 Amendments and Waivers. Any term of this Agreement may be amended and the observance of any term of this Agreement may be waived (either generally or in a particular instance and either retroactively or prospectively), only with the written consent of each of (i) the Company and (ii) Investors holding more than 50% of all Registrable Securities on an as-converted basis. Any amendment or waiver effected in accordance with this paragraph shall be binding upon each of the Parties hereto.

3.9 No Waiver. Failure to insist upon strict compliance with any of the terms, covenants, or conditions hereof will not be deemed a waiver of such term, covenant, or condition, nor will any waiver or relinquishment of, or failure to insist upon strict compliance with, any right, power or remedy hereunder at any one or more times be deemed a waiver or relinquishment of such right, power or remedy at any other time or times.

3.10 Delays or Omissions. No delay or omission to exercise any right, power or remedy accruing to any Party under this Agreement, upon any breach or default of any other Party under this Agreement, shall impair any such right, power or remedy of such non-breaching or non-defaulting Party nor shall it be construed to be a waiver of any such breach or default, or an acquiescence therein, or of or in any similar breach or default thereafter occurring; nor shall any waiver of any single breach or default be deemed a waiver of any other breach or default theretofore or thereafter occurring. Any waiver, permit, consent or approval of any kind or character on the part of any Party of any breach or default under this Agreement, or any waiver on the part of any Party of any provisions or conditions of this Agreement, must be in writing and shall be effective only to the extent specifically set forth in such writing. All remedies, either under this Agreement or by law or otherwise afforded to any Party, shall be cumulative and not alternative.

3.11 Exculpation among Investors. Each Investor agrees that no Investor nor the respective controlling persons, officers, directors, partners, agents, or employees of any Investor shall be liable to any other Investor for any action heretofore or hereafter taken or omitted to be taken by any of them in connection with the purchase of the Convertible Notes.

3.12 Adequate Representation. The Parties acknowledge that each Party has been adequately represented by counsel in connection with this Agreement.

3.13 Headings and Subtitles; Interpretation. The titles and subtitles used in this Agreement are used for convenience only and are not to be considered in construing or interpreting this Agreement. Unless a provision hereof expressly provides otherwise: (i) the term "or" is not exclusive; (ii) words in the singular include the plural,

and words in the plural include the singular; (iii) the terms “herein”, “hereof”, and other similar words refer to this Agreement as a whole and not to any particular section, subsection, paragraph, clause, or other subdivision; (iv) the term “including” will be deemed to be followed by “, but not limited to,”; (v) the masculine, feminine, and neuter genders will each be deemed to include the others; (vi) the terms “shall”, “will”, and “agrees” are mandatory, and the term “may” is permissive; (vii) the term “day” means “calendar day”; and (viii) all references to dollars or to “US\$” are to currency of the United States of America (and shall be deemed to include reference to the equivalent amount in other currencies).

3.14 Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Facsimile and e-mailed copies of signatures shall be deemed to be originals for purposes of the effectiveness of this Agreement.

3.15 Entire Agreement. This Agreement (including the Exhibits and Schedules hereto) constitutes the full and entire understanding and agreement among the Parties with regard to the subjects hereof, and supersedes all other agreements between or among any of the Parties with respect to the subject matter hereof. After the execution and delivery of this Agreement, to the extent that there is any conflict between this Agreement and any provision of any other agreement, arrangement or understanding between the Company and any holder of equity securities of the Company, the terms and conditions of this Agreement shall prevail.

[The remainder of this page has been intentionally left blank.]

IN WITNESS WHEREOF, the parties hereto have executed this Registration Rights Agreement as of the date first written above.

COMPANY:

GRIDSUM HOLDING INC.

By: /s/ Guosheng Qi

Name: Guosheng Qi

Title: Director

[Signature Page to Registration Rights Agreement]

Exhibit A

FORM DEED OF ADHERENCE

THIS DEED OF ADHERENCE is made the _____ day of _____
by _____, (“**New Investor**”)

RECITALS

A. On _____, _____, certain investors of _____ (the “**Company**”) entered into a Registration Rights agreement, as amended from time to time (the “**Registration Rights Agreement**”), to which the substantial form of this Deed of Adherence forms Exhibit A.

B. The New Investor is the acquiror/intended transferee of [a Convertible Note issued by the Company in the principal amount of US\$ _____ / [Ordinary Shares]] of par value US\$ _____ each in the capital of the Company] (“**Transferred Securities**”) from _____ (“**Transferor**”) and [in accordance with Section 3.2 of the Registration Rights Agreement] is executing this Deed.

THIS DEED WITNESSES as follows:

- 1. Interpretation.** Capitalized terms not otherwise defined in this Deed shall have the meanings given to them in the Registration Rights Agreement.
- 2. Covenant; Enforceability.** The New Investor hereby ratifies and accedes to the terms of, agrees to be bound by, and assumes all rights and obligations under the terms and conditions of, the Registration Rights Agreement, as if the New Investor had been an original party to the Registration Rights Agreement in the same capacity as the Transferor. The existing Parties to the Registration Rights Agreement shall be entitled to enforce the Registration Rights Agreement against the New Investor.
- 3. Representation and Warranty.** The New Investor hereby represents and warrants to the existing Parties to the Registration Rights Agreement that:
 - (a) The New Investor is duly incorporated, validly existing and in good standing under the laws of the jurisdiction of its incorporation.
 - (b) The New Investor has all requisite power and authority to execute and deliver this Deed and to assume and perform all rights and obligations under the Registration Rights Agreement. Upon their execution, this Deed and the Registration Rights Agreement shall constitute valid and legally binding obligations thereof, enforceable against such party in accordance with its terms, except (i) as limited by applicable bankruptcy, insolvency, 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.
 - (c) The execution, delivery and performance by the New Investor of and compliance with the Deed and the Registration Rights Agreement, and the consummation of the transactions contemplated thereby, will not result in any violation, breach or default, or be in conflict with or constitute, with or without the passage of time or the giving of notice or both, a default under (A) the articles of association or any other such constitutional documents of the New Investor, (B) any material contract to which the New Investor is a party, (C) any judgment, order, writ or decree or (D) any applicable law.
- 4. Governing Law.** This Adherence Deed shall be governed by and construed in all respects in accordance with the laws of Hong Kong.

Schedule I

IN WITNESS WHEREOF this Deed of Adherence has been executed [as a deed] by the New Investor on the date set forth above.

[NEW INVESTOR])
in the presence of:)

Schedule I

Schedule I

SCHEDULE OF INVESTORS

FutureX Innovation SPC (on behalf of and for the account of New Technology Fund II SP as one of its segregated portfolios)

Schedule I

Schedule II

REGISTRATION RIGHTS

1. **Definitions.** The following terms used in this Schedule II shall have the meanings ascribed to the below:

“**Commission**” means (i) with respect to any offering of securities in the United States, the Securities and Exchange Commission of the United States or any other federal agency at the time administering the Securities Act and (ii) with respect to any offering of securities in a jurisdiction other than the United States, the regulatory body of the jurisdiction with authority to supervise and regulate the offering and sale of securities in that jurisdiction.

“**Deadline**” has the meaning set forth in Section 2.1(i) of this Schedule II.

“**Effectiveness Period**” has the meaning set forth in Section 2.1(i) of this Schedule II.

“**Event**” has the meaning set forth in Section 2.1(iv) of this Schedule II.

“**Event Date**” has the meaning set forth in Section 2.1(iv) of this Schedule II.

“**Exchange Act**” means the United States Securities Exchange Act of 1934, as amended.

“**Existing Shareholders Agreement**” means the Shareholders’ Agreement dated June 30, 2015 among the Company and certain other parties thereto.

“**Form F-3**” means Form F-3 promulgated by the Commission under the Securities Act or any successor form or substantially similar form then in effect.

“**Form S-3**” means Form S-3 promulgated by the Commission under the Securities Act or any successor form or substantially similar form then in effect.

“**Holders**” means the holders of Registrable Securities who are parties to this Agreement from time to time, and their transferees that become parties to this Agreement from time to time pursuant to Section 3.2 of the Registration Rights Agreement.

“**Registrable Securities**” means (i) the Ordinary Shares issued or issuable upon conversion of the Convertible Notes, and (ii) any Ordinary Shares of the Company issued as a dividend or other distribution with respect to, in exchange for, or in replacement of, the shares referenced in (i) herein, excluding in all cases, however, any of the foregoing sold by a Person (i) pursuant to an effective Registration Statement, (ii) under circumstances in which the applicable conditions of Rule 144 are met, or (iii) in a transaction in which the transferor’s rights under this Agreement are not assigned to the transferee pursuant to Section 3.2 of the Registration Rights Agreement.

“**Registration**” means a registration effected by preparing and filing a Registration Statement and the declaration or ordering of the effectiveness of that Registration Statement; and the terms “**Register**” and “**Registered**” have meanings concomitant with the foregoing.

“**Rule 144**” means Rule 144 under the Securities Act.

“**Registration Statement**” means a registration statement prepared on Form F-1, F-3, S-1, or S-3 under the Securities Act (including, without limitation, Rule 415 under the Securities Act), or on any comparable form in connection with registration in a jurisdiction other than the United States.

“**Securities Act**” means the United States Securities Act of 1933, as amended.

“**SEC Guidance**” means (i) any publicly-available written or oral guidance of the Commission staff, or any comments, requirements or requests of the Commission staff and (ii) the Securities Act.

“**Trading Day**” means a day on which (a) trading in the ADSs (or other Company security for which a closing sale price must be determined) generally occurs on the NASDAQ Stock Market or, if the ADSs (or such other security) are not then listed on the NASDAQ Stock Market, on the principal other U.S. national or regional securities exchange on which the ADSs (or such other security) are then listed or, if the ADSs (or such other security) are not then listed on a U.S. national or regional securities exchange, on the principal other market on which the ADSs (or such other security) are then traded and (b) a Last Reported Sale Price for the ADSs (or closing sale price for such other security) is available on such securities exchange or market; provided that if the ADSs (or such other security) are not so listed or traded, “Trading Day” means a Business Day..

“**Violation**” has the meaning set forth in Section 5.1(i) of this Schedule II.

Except where the context requires otherwise, capitalized terms used herein without definition shall have the meanings set forth in the Section 1 of the Registration Rights Agreement.

2. Company Covenants regarding Mandatory Registration.

2.1 Registration Provisions.

(i) The Company shall prepare and file with the Commission a Registration Statement covering the resale of all of the Registrable Securities that are not then registered on an effective Registration Statement for an offering to be made on a continuous basis pursuant to Rule 415, and use its reasonable best efforts to cause such Registration Statement to be declared effective under the Securities Act as promptly as reasonably practicable after the filing thereof, in each case no later than fifteen (15) months anniversary of the Effective Date (the “**Deadline Date**”), and shall use its reasonable best efforts to keep such Registration Statement continuously effective under the Securities Act until the date that all Registrable Securities covered by such Registration Statement (i) have been sold, thereunder or pursuant to Rule 144, or (ii) may be sold without volume or manner-of-sale restrictions pursuant to Rule 144, as determined by the counsel to the Company pursuant to a written opinion letter to such effect, addressed and acceptable to the transfer agent and the affected Holders (the “**Effectiveness Period**”). The Company shall telephonically request effectiveness of a Registration Statement as of 5:00 p.m. Eastern Time on a Trading Day. The Company shall immediately notify the Holders via facsimile or by e-mail of the effectiveness of a Registration Statement on the same Trading Day that the Company telephonically confirms effectiveness with the Commission, which shall be the date requested for effectiveness of such Registration Statement. The Company shall, by 9:30 a.m. Eastern Time on the Trading Day after the effective date of such Registration Statement, file a final Prospectus with the Commission as required by Rule 424. Failure to so notify the Holder within one (1) Trading Day of such notification of effectiveness or failure to file a final Prospectus as foresaid shall be deemed an Event under Section 2.1(iv) of this Schedule II. Notwithstanding the foregoing, the Company shall not be required to prepare and file a Registration Statement (or cause such Registration Statement to be declared effective) pursuant to this Section 2.1(i) until after the filing of its Annual Report on Form 20-F for the year ended December 31, 2017 (without limitation to the rights of the Holders pursuant to Section 2.1(iv) of this Schedule II).

(ii) Notwithstanding the registration obligations set forth in Section 2.1(i) of this Schedule II, if the Commission informs the Company that all of the Registrable Securities cannot, as a result of the application of Rule 415, be registered for resale as a secondary offering on a single registration statement, the Company agrees to promptly inform each of the Holders thereof and use its commercially reasonable efforts to file amendments to the initial Registration Statement as required by the Commission, covering the maximum number of Registrable Securities permitted to be registered by the Commission, on such form available to register for resale the Registrable Securities as a secondary offering, subject to the provisions of Section 2.1(iv) of this Schedule II with respect to the payment of liquidated damages; provided, however, that prior to filing such amendment, the Company shall be obligated to use diligent efforts to advocate with the Commission for the registration of all of the Registrable Securities in accordance with the SEC Guidance, including without limitation, Compliance and Disclosure Interpretation 612.09.

(iii) Notwithstanding any other provision of the Agreement and subject to the payment of liquidated damages pursuant to Section 2.1(iv) of this Schedule II, if the Commission or any SEC Guidance sets forth a

limitation on the number of Registrable Securities permitted to be registered on a particular Registration Statement as a secondary offering (and notwithstanding that the Company used diligent efforts to advocate with the Commission for the registration of all or a greater portion of Registrable Securities), unless otherwise directed in writing by a Holder as to its Registrable Securities, the number of Registrable Securities to be registered on such Registration Statement will be reduced as follows:

- (a) First, the Company shall reduce or eliminate any securities to be included other than Registrable Securities; and
- (b) Second, the Company shall reduce Registrable Securities on a pro rata basis based on the total number of unregistered Registrable Securities held by such Holders.

In the event of a cutback hereunder, the Company shall give the Holder at least five (5) Trading Days prior written notice along with the calculations as to such Holder's allotment. In the event the Company amends the Initial Registration Statement in accordance with the foregoing, the Company will use its reasonable best efforts to file with the Commission, as promptly as allowed by Commission or SEC Guidance provided to the Company or to registrants of securities in general, one or more registration statements on Form F-3 or Form S-3 or such other form available to register for resale those Registrable Securities that were not registered for resale on the Initial Registration Statement, as amended.

(iv) If: (a) the Registration Statement is not filed on or prior to the Deadline, or (b) the Company fails to file with the Commission a request for acceleration of a Registration Statement in accordance with Rule 461 promulgated by the Commission pursuant to the Securities Act, within five Trading Days of the date that the Company is notified (orally or in writing, whichever is earlier) by the Commission that such Registration Statement will not be "reviewed" or will not be subject to further review, or (c) prior to the effective date of a Registration Statement, the Company fails to file a pre-effective amendment and otherwise respond in writing to comments made by the Commission in respect of such Registration Statement within fifteen (15) Trading Days after the receipt of comments by or notice from the Commission that such amendment is required in order for such Registration Statement to be declared effective, or (d) a Registration Statement registering for resale all of the Registrable Securities is not declared effective by the Commission by the Deadline, or (e) after the effective date of a Registration Statement, such Registration Statement ceases for any reason to remain continuously effective as to all Registrable Securities included in such Registration Statement, or the Holders are otherwise not permitted to utilize the Prospectus therein to resell such Registrable Securities, for more than fifteen (15) consecutive Trading Days or more than an aggregate of thirty (30) Trading Days (which need not be consecutive Trading Days) during any 12-month period (any such failure or breach being referred to as an "Event", and for purposes of clauses (a) and (d), the date on which such Event occurs, and for purpose of clause (b) the date on which such five (5) Trading Day period is exceeded, and for purpose of clause (c) the date which such fifteen (15) Trading Days period is exceeded, and for purpose of clause (e) the date on which such fifteen (15) or thirty (30) Trading Days period, as applicable, is exceeded being referred to as "Event Date"), then, on each monthly anniversary of each such Event Date (if the applicable Event shall not have been cured by such date) until the applicable Event is cured (but no later than , the Company shall pay to each Holder an amount in cash, as liquidated damages and not as a penalty, and as the Holder's sole monetary remedy in respect of any Event, equal to the product of 1.0% multiplied by the aggregate Purchase Price (as such term is defined in the Purchase Agreement) paid by such Holder pursuant to the Purchase Agreement. If the Company fails to pay any liquidated damages pursuant to this Section in full within seven (7) days after the date due and payable, the Company will pay such additional amount payable as calculated pursuant to Section 2.6 of the Convertible Notes (or such lesser maximum amount that is permitted to be paid by applicable law) to the Holder, accruing daily from the date such liquidated damages are due until such amounts, plus all such interest thereon, are paid in full. The liquidated damages pursuant to the terms hereof shall apply on a daily pro rata basis for any portion of a month prior to the cure of an Event.

3. Piggyback Registrations.

3.1 Registration of the Company's Securities. Subject to the terms of this Agreement, if the Company proposes to Register for its own account any of its Equity Securities, or for the account of any holder (other than a Holder) of Equity Securities any of such holder's Equity Securities, in connection with the public

offering of such securities (except as set forth in Section 3.4 of this Schedule II, the Company shall promptly give each Holder written notice of such Registration and, upon the written request of any Holder given within fifteen (15) days after delivery of such notice, the Company shall use its reasonable best efforts to include in such Registration any Registrable Securities thereby requested to be Registered by such Holder. If a Holder decides not to include all or any of its Registrable Securities in such Registration by the Company, such Holder shall nevertheless continue to have the right to include any Registrable Securities in any subsequent Registration Statement or Registration Statements as may be filed by the Company, all upon the terms and conditions set forth herein.

3.2 Right to Terminate Registration. The Company shall have the right to terminate or withdraw any Registration initiated by it under Section 3.1 of this Schedule II prior to the effectiveness of such Registration, whether or not any Holder has elected to participate therein. The expenses of such withdrawn Registration shall be borne by the Company in accordance with Section 4.3 of this Schedule II.

3.3 Underwriting Requirements.

(i) In connection with any offering involving an underwriting of the Company's Equity Securities, the Company shall not be required to Register the Registrable Securities of a Holder under this Section 3 unless such Holder's Registrable Securities are included in the underwritten offering and such Holder enters into an underwriting agreement in customary form with the underwriter or underwriters of internationally recognized standing selected by the Company and setting forth such terms for the underwritten offering as have been agreed upon between the Company and the underwriters. In the event the underwriters advise Holders seeking Registration of Registrable Securities pursuant to this Section 3 in writing that market factors (including the aggregate number of Registrable Securities requested to be Registered, the general condition of the market, and the status of the Persons proposing to sell securities pursuant to the Registration) require a limitation of the number of Registrable Securities to be underwritten, the underwriters may exclude the Registrable Securities requested to be Registered, prior to the exclusion of any Equity Securities of the Company (A) held by Persons requesting inclusion of such Equity Securities in such offering pursuant to the Existing Shareholders Agreement or (B) proposed to be sold for the account of the Company in such offering and after excluding all other Equity Securities from the Registration and underwriting and so long as the number of Registrable Securities to be included in such Registration is allocated among all Holders in proportion, as nearly as practicable, to the respective amounts of Registrable Securities requested by such Holders to be included. To facilitate the allocation of shares in accordance with the above provisions, the Company or the underwriters may round the number of shares allocated to a Holder to the nearest one hundred (100) shares.

(ii) If any Holder disapproves the terms of any underwriting, the Holder may elect to withdraw therefrom by written notice to the Company and the underwriters delivered at least ten (10) days prior to the effective date of the Registration Statement. Any Registrable Securities excluded or withdrawn from the underwritten offering shall be withdrawn from the Registration. Notwithstanding the foregoing, the Company shall not be required to pay for any expenses of any Registration proceeding begun pursuant to Section 2.1 of this Schedule II if the Registration request is subsequently withdrawn at the request of the Holders of a majority of the Registrable Securities to be registered (in which case all participating Holders shall bear such expenses pro rata based upon the number of Registrable Securities that were to be included in the withdrawn registration), unless such withdrawal is due to an action or inaction of the Company.

3.4 Exempt Transactions. The Company shall have no obligation to Register any Registrable Securities under this Section 3 in connection with a Registration by the Company (i) relating solely to the sale of securities to participants in a Company share plan or equity incentive plan, or (ii) relating to a corporate reorganization or other transaction under Rule 145 of the Securities Act (or comparable provision under the Laws of another jurisdiction, as applicable).

4. Registration Procedures.

4.1 Registration Procedures and Obligations. Whenever required under this Agreement to effect the Registration of any Registrable Securities held by the Holders, the Company shall, as expeditiously as reasonably possible:

(i) Prepare and file with the Commission a Registration Statement with respect to those Registrable Securities and, subject to the provisions of Section 2.1(iv) of this Schedule II, use its reasonable best efforts to cause that Registration Statement to become effective, and, upon the request of the Holders holding a majority of the Registrable Securities Registered thereunder, keep the Registration Statement effective until the distribution thereunder has been completed; provided that the Company shall not be required to prepare and file a Registration Statement (or cause such Registration Statement to be declared effective) pursuant to Section 2.1(i) of this Schedule II until after the filing of its Annual Report on Form 20-F for the year ended December 31, 2017 (without limitation to the rights of the Holders pursuant to Section 2.1(iv) of this Schedule II);

(ii) Prepare and file with the Commission amendments and supplements to that Registration Statement and the prospectus used in connection with the Registration Statement as may be necessary to comply with the provisions of applicable securities Laws with respect to the disposition of all securities covered by the Registration Statement;

(iii) Furnish to the Holders the number of copies of a prospectus, including a preliminary prospectus, required by applicable securities Laws, and any other documents as they may reasonably request in order to facilitate the disposition of Registrable Securities owned by them;

(iv) Use its reasonable best efforts to register and qualify the securities covered by the Registration Statement under the securities Laws of any jurisdiction, as reasonably requested by the Holders, at the expense of the Holder for any jurisdiction other than the United States, provided, that the Company shall not be required to qualify to do business or file a general consent to service of process in any such jurisdictions;

(v) If the registration relates to an offering of depositary shares or other securities representing Ordinary Shares deposited pursuant to a deposit agreement or similar facility, cause the depositary under such agreement or facility to accept for deposit under such agreement or facility all Registrable Securities requested by each Holder to be included in such registration in accordance with this Section 4;

(vi) In the event of any underwritten public offering, enter into and perform its obligations under an underwriting agreement, in customary form, with the managing underwriter(s) of the offering;

(vii) Promptly notify each Holder of Registrable Securities covered by the Registration Statement at any time when a prospectus relating thereto is required to be delivered under applicable securities Laws of (a) the issuance of any stop order by the Commission, or (b) the happening of any event or the existence of any condition as a result of which any prospectus included in the Registration Statement, as then in effect, includes an untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein not misleading in the light of the circumstances under which they were made, or if in the opinion of counsel for the Company it is necessary to supplement or amend such prospectus to comply with law, and at the request of any such Holder promptly prepare and furnish to such Holder a reasonable number of copies of a supplement to or an amendment of such prospectus as may be necessary so that, as thereafter delivered to the purchasers of such securities, such prospectus shall not include an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading in light of the circumstances under which they were made or such prospectus, as supplemented or amended, shall comply with law;

(viii) Otherwise comply with all applicable rules and regulations of the Commission to the extent applicable to the applicable registration statement and use its reasonable best efforts to make generally available to its security holders (or otherwise provide in accordance with Section 11(a) of the Securities Act) an earnings statement satisfying the provisions of Section 11(a) of the Securities Act as soon as practicable, beginning with the first month of the Company's first fiscal quarter commencing after the effective date of such registration statement, which statement shall cover such twelve (12) month period, subject to any proper and necessary extensions;

(ix) Not, without the prior consent of the holders of at least a majority of voting power of the then outstanding Registrable Securities, make any offer relating to the Securities that would constitute a "free writing prospectus," as defined in Rule 405 promulgated under the Securities Act;

(x) Provide a transfer agent and registrar for all Registrable Securities Registered pursuant to the Registration Statement and, where applicable, a number assigned by the Committee on Uniform Securities Identification Procedures for all those Registrable Securities, in each case not later than the effective date of the Registration; and

(xi) Take all reasonable action necessary to list the Registrable Securities on the primary exchange on which the Company's securities are then traded.

Notwithstanding anything to the contrary herein, subject to Section 2.1(iv) of this Schedule II, the Company may, by notice to the Holders, suspend the use of the Registration Statement for up to fifteen (15) consecutive Trading Days (but not more than an aggregate of thirty (30) Trading Days (which need not be consecutive Trading Days) during any 12-month period) if the Company determines in good faith that it is appropriate to do so in order to avoid disclosure of any confidential information of the Company where such disclosure would harm the Company, in which case the Company shall not be required to amend or supplement the Registration Statement or any prospectus to disclose such information during such period.

4.2 Information from Holder. It shall be a condition precedent to the obligations of the Company to take any action pursuant to this Agreement with respect to the Registrable Securities of any selling Holder that such Holder shall furnish to the Company such information regarding itself, the Registrable Securities held by it, and the intended method of disposition of such securities as shall be required to effect the Registration of such Holder's Registrable Securities.

4.3 Expenses of Registration. All expenses, other than the underwriting discounts and selling commissions applicable to the sale of Registrable Securities pursuant to this Agreement (which shall be borne by the Holders requesting Registration on a pro rata basis in proportion to their respective numbers of Registrable Securities sold in such Registration), incurred in connection with Registrations, filings or qualifications pursuant to this Agreement, including (without limitation) all Registration, filing and qualification fees, printers' and accounting fees, fees and disbursements of counsel for the Company and reasonable fees and disbursement of one counsel for all selling Holders, shall be borne by the Company. The Company shall not, however, be required to pay for any expenses of any Registration proceeding begun pursuant to this Agreement if the Registration request is subsequently withdrawn at the request of a majority-in-interest (calculated by reference to the number of Registrable Securities to be registered thereunder) of the Holders requesting such Registration (in which case all participating Holders shall bear such expenses pro rata based upon the number of Registrable Securities that were to be thereby Registered in the withdrawn Registration).

5. Registration-Related Indemnification.

5.1 Company Indemnity.

(i) To the maximum extent permitted by Law, the Company will indemnify and hold harmless each Holder, such Holder's partners, officers, directors, shareholders and legal counsel, any underwriter (as defined in the Securities Act) and each Person, if any, who controls (as defined in the Securities Act) such Holder or underwriter, against any losses, claims, damages or liabilities (joint or several) to which they may become subject under Laws which are applicable to the Company and relate to action or inaction required of the Company in connection with any Registration, qualification, or compliance, insofar as such losses, claims, damages, or liabilities (or actions in respect thereof) arise out of or are based upon any of the following statements, omissions or violations (each a "**Violation**"): (a) any untrue statement or alleged untrue statement of a material fact contained in such Registration Statement, on the effective date thereof (including any preliminary prospectus or final prospectus contained therein or any amendments or supplements thereto), (b) the omission or alleged omission to state in the Registration Statement, on the effective date thereof (including any preliminary prospectus or final prospectus contained therein or any amendments or supplements thereto), a material fact required to be stated therein or necessary to make the statements therein not misleading, or (c) any violation or alleged violation by the Company of applicable securities Laws, or any rule or regulation promulgated under applicable securities Laws. The Company will reimburse each such Holder, underwriter or controlling person for any legal or other expenses reasonably incurred by them in connection with investigating or defending any such loss, claim, damage, liability or action.

(ii) The indemnity agreement contained in this Section 5.1 shall not apply to amounts paid in settlement of any such loss, claim, damage, liability or action if such settlement is effected without the consent of the Company (which consent shall not be unreasonably withheld or delayed), nor shall the Company be liable in any such case for any such loss, claim, damage, liability or action to the extent that it arises solely out of or is solely based upon a Violation that occurs in reliance upon and in conformity with written information furnished in a certificate expressly for use in connection with such Registration by any such Holder, such Holder's partners, officers, directors, and legal counsel, any underwriter (as defined in the Securities Act) and each Person, if any, who controls (as defined in the Securities Act) such Holder or underwriter. Further, the foregoing indemnity agreement with respect to any preliminary prospectus shall not inure to the benefit of any Holder or other aforementioned person, or any person controlling such Holder, from whom the person asserting any such losses, claims, damages or liabilities purchased shares in the offering, if a copy of the most current prospectus was not sent or given by or on behalf of such Holder or other aforementioned person to such person, if required by law to have been so delivered, at or prior to the written confirmation of the sale of the shares to such person, and if the prospectus (as so amended or supplemented) would have cured the defect giving rise to such loss, claim, damage or liability.

5.2 Holder Indemnity.

(i) To the maximum extent permitted by Law, each selling Holder that has included Registrable Securities in a Registration will, severally and not jointly, indemnify and hold harmless the Company, its directors, officers, legal counsel and accountants, any underwriter, any other Holder selling securities in connection with such Registration and each Person, if any, who controls (within the meaning of the Securities Act) the Company, such underwriter or other Holder, against any losses, claims, damages or liabilities (joint or several) to which any of the foregoing persons may become subject, under applicable securities Laws, or any rule or regulation promulgated under applicable securities Laws, insofar as such losses, claims, damages or liabilities (or actions in respect thereto) arise out of or are based upon any Violation, in each case to the extent (and only to the extent) that such Violation occurs in reliance upon and in conformity with written information furnished by such Holder in a certificate expressly for use in connection with such Registration; and each such Holder will reimburse any Person intended to be indemnified pursuant to this Section 5.2, for any legal or other expenses reasonably incurred by such Person in connection with investigating or defending any such loss, claim, damage, liability or action. No Holder's liability under this Section 5.2 shall exceed the net proceeds (less underwriting discounts and selling commissions) received by such Holder from the offering of securities made in connection with that Registration.

(ii) The indemnity contained in this Section 5.2 shall not apply to amounts paid in settlement of any such loss, claim, damage, liability or action if such settlement is effected without the consent of the Holder (which consent shall not be unreasonably withheld or delayed).

5.3 Notice of Indemnification Claim. Promptly after receipt by an indemnified party under Section 5.1 or Section 5.2 of this Schedule II of notice of the commencement of any action (including any governmental action), such indemnified party will, if a claim in respect thereof is to be made against any indemnifying party under Section 5.1 or Section 5.2 of this Schedule II, deliver to the indemnifying party a written notice of the commencement thereof and the indemnifying party shall have the right to participate in, and, to the extent the indemnifying party so desires, jointly with any other indemnifying party similarly noticed, to assume the defense thereof with counsel mutually satisfactory to the indemnifying parties. An indemnified party (together with all other indemnified parties that may be represented without conflict by one counsel) shall have the right to retain one separate counsel, with the reasonably incurred fees and expenses to be paid by the indemnifying party, if representation of such indemnified party by the counsel retained by the indemnifying party would be inappropriate due to actual or potential differing interests between such indemnified party and any other party represented by such counsel in such proceeding. The failure to deliver written notice to the indemnifying party within a reasonable time of the commencement of any such action, if prejudicial to its ability to defend such action, shall relieve such indemnifying party, to the extent so prejudiced, of any liability to the indemnified party under this Section 5, but the omission to deliver written notice to the indemnifying party will not relieve it of any liability that it may have to any indemnified party otherwise than under this Section 5.

5.4 Contribution. If any indemnification provided for in Section 5.1 or Section 5.2 of this Schedule II is held by a court of competent jurisdiction to be unavailable to an indemnified party with respect to any loss, liability, claim, damage or expense referred to herein, the indemnifying party, in lieu of indemnifying such

indemnified party hereunder, shall contribute to the amount paid or payable by such indemnified party as a result of such loss, liability, claim, damage or expense in such proportion as is appropriate to reflect the relative fault of the indemnifying party, on the one hand, and of the indemnified party, on the other, in connection with the statements or omissions that resulted in such loss, liability, claim, damage or expense, as well as any other relevant equitable considerations. The relative fault of the indemnifying party and of the indemnified party shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission to state a material fact relates to information supplied by the indemnifying party or by the indemnified party and the parties' relative intent, knowledge, access to information, and opportunity to correct or prevent such statement or omission. No Holder's liability under this Section 5.4, when combined with such Holder's liability under Section 5.2 of this Schedule II, shall exceed the net proceeds (less underwriting discounts and selling commissions) received by such Holder from the offering of securities made in connection with that Registration.

5.5 Underwriting Agreement. To the extent that the provisions on indemnification and contribution contained in the underwriting agreement entered into in connection with the underwritten public offering are in conflict with the foregoing provisions, the provisions in the underwriting agreement shall control.

5.6 Survival. The obligations of the Company and Holders under this Section 5 shall survive the completion of any offering of Registrable Securities in a Registration Statement under this Agreement.

6. Additional Registration-Related Undertakings.

6.1 Limitations on Subsequent Registration Rights. From and after the date of this Agreement, the Company shall not, without the prior written consent of holders of at least a majority of the then outstanding Registrable Securities held by all Holders on an as-converted basis, enter into any new agreement with any holder or prospective holder of any Equity Securities of the Company that would allow such holder or prospective holder (i) to include such Equity Securities in any Registration filed under Section 2 or Section 3 of this Schedule II, unless under the terms of such agreement such holder or prospective holder may include such Equity Securities in any such Registration only to the extent that the inclusion of such Equity Securities will not reduce the amount of the Registrable Securities of the Holders that are included (or, in a Registration filed under Section 3 hereof, only if such Equity Securities are reduced on a pro rata basis), , or (ii) cause the Company to include such Equity Securities in any Registration filed under Section 2 hereof on a basis *pari passu* with or more favorable to such holder or prospective holder than is provided to the Holders of Registrable Securities.

6.2 Termination of Registration Rights. The registration rights set forth in Section 2 and Section 3 of this Schedule II above shall terminate on the earlier of (i) the date that is three (3) years after the Effective Date and (ii) with respect to any Holder, the date on which such Holder may sell all of such Holder's Registrable Securities under Rule 144 of the Securities Act in any ninety (90)-day period.

6.3 Conversion of Convertible Notes. Notwithstanding anything to the contrary provided in this Agreement, the Company shall have no obligation to register Registrable Securities which, if constituting Ordinary Share Equivalents, have not been exercised, converted or exchanged, as applicable, for Ordinary Shares.

6.4 Existing Shareholders Agreement. The Company and the Holders acknowledge and agree that, if any shareholders of the Company elects to participate in a Registration under Section 2 of this Schedule II by exercising their piggyback registration rights under the Existing Shareholders Agreement, such shareholders shall be entitled to participate in such Registration, and shall have the protections against exclusion of their shares in such Registration, in each case in accordance with the Existing Shareholders Agreement.

Schedule III

NOTICE ADDRESSES

For the purpose of the notice provisions contained in this Registration Rights Agreement, the following are the initial addresses of each party:

If to the Company:

Attention: Michael Peng Zhang
Address: Gridsum Holding Inc.
Jade Palace Hotel Office Building, 8th Floor
76 Zhichun Road
Haidian District, Beijing 100086
People's Republic of China
Email: zhangpeng@gridsum.com

With a copy to:

Address: Fenwick & West LLP
Unit 908, 9th Floor, Kerry Parkside Office
Pudong New Area, Shanghai 201204
People's Republic of China
Attention: David Michaels and Niping Wu
Email: dmichaels@fenwick; niping.wu@fenwick.com

If to the Investors:

FutureX

Attn: Laurel RONG
Address: Unit 1602, Cheung Kong Center,
2 Queen's Road, Central, Hong Kong
Email: ryq@futurexcapital.com

with a copy to:

Address: Gunderson Dettmer Stough Villeneuve Franklin & Hachigian, LLP
Suite 2101, Building C, Yintai Center
#2 Jianguomenwai Ave.
Chaoyang District, Beijing 100022
P.R. China
Attention: Steven Liu, Esq.
Phone: +86 10 5680 3999
Fax: +86 10 5680 3889
Email: sliu@gunder.com