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A. FURTHER INFORMATION ABOUT OUR COMPANY AND OUR SUBSIDIARIES AND CONSOLIDATED AFFILIATED ENTITIES

1. Incorporation

Our Company, formerly known as Top Elite Limited 精銳有限公司 was incorporated in the Cayman Islands on January 5, 2010 as an exempted company with limited liability. On March 30, 2018, our Company adopted the Chinese name of “小米集团” as our dual foreign name. Our registered office address is at the offices of Osiris International Cayman Limited, Suite #4-210, Governors Square, 23 Lime Tree Bay Avenue, PO Box 32311, Grand Cayman, KY1-1209, Cayman Islands. Accordingly, our Company’s corporate structure and Memorandum and Articles of Association are subject to the relevant laws of the Cayman Islands. A summary of our Memorandum and Articles of Association is set out in Appendix III.

Our registered place of business in Hong Kong is at Level 54, Hopewell Center, 183 Queen’s Road East, Hong Kong. [We were registered as a non-Hong Kong company under Part 16 of the Companies Ordinance on [●] 2018 with the Registrar of Companies in Hong Kong.] So Ka Man has been appointed as the authorized representative of our Company in Hong Kong under Part 16 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) to accept service of process and any notices on behalf of the Company. The address for service of process is Level 54, Hopewell Center, 183 Queen’s Road East, Hong Kong.

As at the date of this [REDACTED], our Company’s head office was located at Rainbow City Office Building, 68 Qinghe Middle Street, Haidian District, Beijing 100085, China.

2. Changes in share capital of Our Company

Our Company was incorporated with an authorized share capital of US\$50,000 divided into 50,000 shares of par value US\$1.00 each.

The following sets out the changes in the Company’s issued share capital during the two years immediately preceding the date of this [REDACTED]:

- (1) On August 24, 2017, the Company issued 495,830 Series F-1 Preferred Shares to Nokia Growth Partners II, L.P. for an aggregate purchase price of US\$9,999,998.61.
- (2) On March 30, 2018, the Company issued class B ordinary shares of par value of US\$0.000025 per share each in the following manner, as consideration shares in exchange for certain indirect equity interests in Timi Personal Computing Co., Ltd. (北京田米科技有限公司):
 - (i) 1,000,000 ordinary shares of par value US\$0.000025 each to Powerful Era Limited; and
 - (ii) 500,000 ordinary shares of par value US\$0.000025 each to Bright Inspiration Holdings Limited.
- (3) On April 2, 2018, the Company issued 63,959,619 Class B ordinary shares of par value US\$0.000025 each (or [REDACTED] Class B Shares following the Share Subdivision) to Smart Mobile Holdings Limited on par value of US\$0.000025 per share.
- (4) Share Subdivision

[Assuming that the [REDACTED] becomes unconditional and the issue of [REDACTED] as mentioned in this [REDACTED] being made (assuming [the [REDACTED] is not exercised and] the options granted under the [REDACTED] ESOP are not exercised), the authorized share capital of our Company will be US\$[REDACTED] divided into (i) [REDACTED] class

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A ordinary shares of par value US\$[REDACTED] each and (ii) [REDACTED] class B ordinary shares of par value of US\$[REDACTED] each, respectively, and the issued share capital (including those Preferred Shares to be reclassified and re-designated as class B ordinary shares of US\$[●] par value each of the Company on the [REDACTED]) shall be (i) [REDACTED] class A ordinary shares of par value US\$[REDACTED] each and (ii) [REDACTED] class B ordinary shares of par value of US\$[REDACTED] each, respectively. Save as disclosed herein and in the section headed “—Resolutions of the Shareholders of Our Company dated [●] 2018”, there has been no alteration in the share capital of our Company since its incorporation.]

Save as disclosed above, there has been no alteration in the share capital of our Company during the two years immediately preceding the date of this [REDACTED].

3. Changes in the share capital of our subsidiaries and Consolidated Affiliated Entities

A summary of the corporate information and the particulars of our subsidiaries are set out in note [12(a)] to the Accountant’s Report as set out in Appendix I.

The following sets out the changes in the share capital of our major subsidiaries and Consolidated Affiliated Entities that made a material contribution to our results of operations during the two years immediately preceding the date of this [REDACTED]. For details of our major subsidiaries and Consolidated Affiliated Entities, please see the section headed “History, Reorganization and Corporate Structure—Major subsidiaries, Consolidated Affiliated Entities and operating entities.”

Chongqing Microcredit

- (1) On June 22, 2016, the registered capital of Chongqing Microcredit was increased from US\$50,000,000 to US\$100,000,000.
- (2) On January 17, 2017, the registered capital of Chongqing Microcredit was increased from US\$100,000,000 to US\$150,000,000.
- (3) On March 9, 2018, the registered capital of Chongqing Microcredit was increased from US\$150,000,000 to US\$450,000,000.

Save as disclosed above, there has been no alteration in the share capital of any of the major subsidiaries or Consolidated Affiliated Entities of our Company within the two years immediately preceding the date of this [REDACTED].

Save for the subsidiaries mentioned in the Accountant’s Report set out in Appendix I, our Company has no other subsidiaries or Consolidated Affiliated Entities.

4. Resolutions of the Shareholders of Our Company dated [●] 2018

Written resolutions of our Shareholders were passed on [●] 2018, pursuant to which, among others:

- (1) [conditional on (i) the Listing Committee granting [REDACTED] of, and permission to deal in, the Shares in issue and to be issued as to be stated in this [REDACTED] and such [REDACTED] and permission not subsequently having been revoked prior to the commencement of dealing in the Shares on the Stock Exchange; (ii) the [REDACTED] having been determined; (iii) the

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obligations of the [REDACTED] under the [REDACTED] becoming unconditional and not being terminated in accordance with the terms of the [REDACTED] or otherwise, in each case on or before such dates as may be specified in the [REDACTED]; and (iv) the [REDACTED] having been duly executed by the [REDACTED] and the Company:

- (a) all the issued and unissued Preferred Shares be re-designated and re-classified as class B ordinary shares of par value of US\$0.000025 each, each having the rights and restrictions as set out in the Memorandum and the Articles, and; (b) upon the re-designation and re-classification of the share capital of the Company referred to in paragraph (a) above, (i) each class A ordinary shares of par value of US\$0.000025 each be subdivided into [REDACTED] class A ordinary shares of par value of US\$[REDACTED] each and (ii) each class B ordinary shares of par value of US\$0.000025 each be subdivided into [REDACTED] class B ordinary shares of par value of US\$[REDACTED] each; such that the authorized share capital of the Company shall be US\$[REDACTED] divided into [REDACTED] Class A Shares of US\$[REDACTED] par value each and [REDACTED] Class B Shares of US\$[REDACTED] each and the issued share capital of the Company shall be US\$[REDACTED] divided into [REDACTED] Class A Shares of US\$[REDACTED] par value each and [REDACTED] Class B Shares of US\$[REDACTED] each, in each case to be effective on the [REDACTED];
- (b) the [REDACTED] (including the [REDACTED]) was approved, and the proposed [REDACTED] and [REDACTED] of the [REDACTED] under the [REDACTED] were approved, and the Directors were authorized to determine the [REDACTED] for, and to allot and issue the [REDACTED];
- (c) a general unconditional mandate was given to our Directors, exercisable on their behalf by Lei Jun, to exercise all powers of our Company to allot, issue and deal with Class B Shares or securities convertible into Shares and to make or grant offers, agreements or options (including any warrants, bonds, notes and debentures conferring any rights to subscribe for or otherwise receive Class B Shares) which might require Class B Shares to be allotted and issued or dealt with subject to the requirement that the aggregate nominal value of the Class B Shares so allotted and issued or agreed conditionally or unconditionally to be allotted and issued, otherwise than by way of the [REDACTED], rights issue or pursuant to the exercise of any subscription rights attaching to any warrants which may be allotted and issued by the Company from time to time or, pursuant to the exercise of any options which may be granted under the allotment and issue of Class B Shares in lieu of the whole or part of a dividend on Class B Shares in accordance with the Articles of Association on a specific authority granted by our Shareholders in general meeting, shall not exceed 20% of the aggregate nominal value of the Shares in issue immediately following the completion of the [REDACTED], excluding any Class B Shares to be [sold] pursuant to the [the exercise of the [REDACTED],] options which have been granted under the [REDACTED] ESOP, options which may be granted under the [REDACTED] ESOP and Class B Shares to be issued upon conversion of Class A Shares into Class B Shares on a one to one basis;
- (d) a general unconditional mandate (the “**Repurchase Mandate**”) was given to our Directors, exercisable on their behalf by Lei Jun, to exercise all powers of our Company to repurchase on the Stock Exchange or on any other stock exchange on

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which the securities of our Company may be listed and which is recognized by the SFC and the Stock Exchange for this purpose, such number of Shares as will represent up to 10% of the aggregate nominal value of the Shares in issue immediately following the completion of the [REDACTED], excluding any Class B Shares to be [sold] pursuant to the [the exercise of the [REDACTED],] options which have been granted under the [REDACTED] ESOP, options which may be granted under the [REDACTED] ESOP and Class B Shares to be issued upon conversion of Class A Shares into Class B Shares on a one to one basis; and

- (e) the general unconditional mandate as mentioned in paragraph (c) above was extended by the addition to the aggregate nominal value of the Shares which may be allotted and issued or agreed to be allotted and issued by our Directors pursuant to such general mandate of an amount representing the aggregate nominal value of the Shares purchased by our Company pursuant to the mandate to purchase Shares referred to in paragraph (d) above (up to 10% of the aggregate nominal value of the Shares in issue immediately following the completion of the [REDACTED], excluding any Class B Shares to be [sold] pursuant to the [the exercise of the [REDACTED],] options which have been granted under the [REDACTED] ESOP, options which may be granted under the [REDACTED] ESOP and Class B Shares to be issued upon conversion of Class A Shares into Class B Shares on a one to one basis; and
- (2) our Company conditionally approved and adopted the Memorandum and Articles of Association with effect from the [REDACTED].

Each of the general mandates referred to in paragraphs (1)(c), (1)(d) and (1)(e) above will remain in effect until whichever is the earliest of:

- the conclusion of the next annual general meeting of our Company;
- the expiration of the period within which the next annual general meeting of our Company is required to be held by any applicable law or the Articles of Association; or
- the time when such mandate is revoked or varied by an ordinary resolution of the Shareholders in general meeting.]

5. Repurchase of our own securities

The following paragraphs include, among others, certain information required by the Stock Exchange to be included in this [REDACTED] concerning the repurchase of our own securities.

(a) *Provision of the Listing Rules*

The Listing Rules permit companies with a primary listing on the Stock Exchange to repurchase their own securities on the Stock Exchange subject to certain restrictions, the most important of which are summarized below:

(i) *Shareholders' Approval*

All proposed repurchases of securities (which must be fully paid up in the case of shares) by a company with a primary listing on the Stock Exchange must be approved in advance by an ordinary resolution of the shareholders in general meeting, either by way of general mandate or by specific approval of a particular transaction.

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Pursuant to a resolution passed by our Shareholders on [●] 2018, the Repurchase Mandate was given to our Directors authorizing them to exercise all powers of our Company to repurchase Shares on the Stock Exchange, or on any other stock exchange on which the securities of our Company may be listed and which is recognized by the SFC and the Stock Exchange for this purpose, with a total nominal value up to 10% of the aggregate nominal value of our Shares in issue immediately following the completion of the [REDACTED] (excluding any Class B Shares to be [sold] pursuant to the exercise of [the [REDACTED],] options which have been granted under the [REDACTED] ESOP, options which may be granted under the [REDACTED] ESOP and Class B Shares to be issued upon conversion of Class A Shares into Class B Shares on a one to one basis), with such mandate to expire at the earliest of (i) the conclusion of the next annual general meeting of our Company (unless renewed by an ordinary resolution of our Shareholders in a general meeting, either unconditionally or subject to conditions), (ii) the expiration of the period within which our Company’s next annual general meeting is required by the Articles of Association or any other applicable laws to be held, and (iii) the date when it is varied or revoked by an ordinary resolution of our Shareholders in general meeting.

(ii) *Source of Funds*

Purchases must be funded out of funds legally available for the purpose in accordance with the Memorandum and Articles of Association and the applicable laws and regulations of Hong Kong and the Cayman Islands. A listed company may not purchase its own securities on the Stock Exchange for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange from time to time. As a matter of Cayman Islands law, any purchases by the Company may be made out of profits or out of the proceeds of a new issue of shares made for the purpose of the purchase or from sums standing to the credit of our share premium account or out of capital, if so authorized by the Articles of Association and subject to the Cayman Companies Law. Any premium payable on the purchase over the par value of the shares to be purchased must have been provided for out of profits or from sums standing to the credit of our share premium account or out of capital, if so authorized by the Articles of Association and subject to the Cayman Companies Law.

(iii) *Trading Restrictions*

The total number of shares which a listed company may repurchase on the Stock Exchange is the number of shares representing up to a maximum of 10% of the aggregate number of shares in issue. A company may not issue or announce a proposed issue of new securities for a period of 30 days immediately following a repurchase (other than an issue of securities pursuant to an exercise of warrants, share options or similar instruments requiring the company to issue securities which were outstanding prior to such repurchase) without the prior approval of the Stock Exchange. In addition, a listed company is prohibited from repurchasing its shares on the Stock Exchange if the purchase price is 5% or more than the average closing market price for the five preceding trading days on which its shares were traded on the Stock Exchange.

The Listing Rules also prohibit a listed company from repurchasing its securities if the repurchase would result in the number of listed securities which are in the hands of the

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public falling below the relevant prescribed minimum percentage as required by the Stock Exchange. A company is required to procure that the broker appointed by it to effect a repurchase of securities discloses to the Stock Exchange such information with respect to the repurchase as the Stock Exchange may require.

(iv) Status of Repurchased Shares

The listing of all purchased securities (whether on the Stock Exchange or, otherwise) is automatically canceled and the relative certificates must be canceled and destroyed. Under the laws of the Cayman Islands, unless, prior to the purchase the directors of the Company resolve to hold the shares purchased by the Company as treasury shares, shares purchased by the Company shall be treated as canceled and the amount of the Company’s issued share capital shall be diminished by the nominal value of those shares. However, the purchase of shares will not be taken as reducing the amount of the authorized share capital under Cayman Islands law.

(v) Suspension of Repurchase

A listed company may not make any repurchase of securities after a price sensitive development has occurred or has been the subject of a decision until such time as the price sensitive information has been made publicly available. In particular, during the period of one month immediately preceding the earlier of (a) the date of the Board meeting (as such date is first notified to the Stock Exchange in accordance with the Listing Rules) for the approval of a listed company’s results for any year, half-year, quarterly or any other interim period (whether or not required under the Listing Rules) and (b) the deadline for publication of an announcement of a listed company’s results for any year or half-year under the Listing Rules, or quarterly or any other interim period (whether or not required under the Listing Rules), the listed company may not repurchase its shares on the Stock Exchange other than in exceptional circumstances. In addition, the Stock Exchange may prohibit a repurchase of securities on the Stock Exchange if a listed company has breached the Listing Rules.

(vi) Reporting Requirements

Certain information relating to repurchases of securities on the Stock Exchange or otherwise must be reported to the Stock Exchange not later than 30 minutes before the earlier of the commencement of the morning trading session or any pre-opening session on the following business day. In addition, a listed company’s annual report is required to disclose details regarding repurchases of securities made during the year, including a monthly analysis of the number of securities repurchased, the purchase price per share or the highest and lowest price paid for all such repurchases, where relevant, and the aggregate prices paid.

(vii) Core Connected Persons

The Listing Rules prohibit a company from knowingly purchasing securities on the Stock Exchange from a “core connected person,” that is, a director, chief executive or substantial shareholder of the company or any of its subsidiaries or a close associate of any of them (as defined in the Listing Rules) and a core connected person shall not knowingly sell his securities to the company.

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(b) *Reasons for Repurchases*

Our Directors believe that it is in the best interests of our Company and Shareholders for our Directors to have a general authority from the Shareholders to enable our Company to repurchase Shares in the market. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value per Share and/or earnings per Share and will only be made where our Directors believe that such repurchases will benefit our Company and Shareholders.

(c) *Funding of Repurchases*

Repurchase of the Shares must be funded out of funds legally available for such purpose in accordance with the Articles of Association and the applicable laws of the Cayman Islands. Our Directors may not repurchase the Shares on the Stock Exchange for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange. Subject to the foregoing, our Directors may make repurchases with profits of the Company or out of a new issuance of shares made for the purpose of the repurchase or, if authorized by the Articles of Association and subject to the Cayman Companies Law, out of capital and, in the case of any premium payable on the repurchase, out of profits of the Company or from sums standing to the credit of the share premium account of the Company or, if authorized by the Articles of Association and subject to Cayman Companies Law, out of capital.

However, our Directors do not propose to exercise the general mandate to such an extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or its gearing levels which, in the opinion of the Directors, are from time to time appropriate for the Company.

(d) *General*

The exercise in full of the Repurchase Mandate, on the basis of [REDACTED] Shares in issue immediately following the completion of the [REDACTED], but assuming [the [REDACTED] is not exercised] options which have been granted under the [REDACTED] ESOP, options which may be granted under the [REDACTED] ESOP and Class B Shares to be issued upon conversion of Class A Shares into Class B Shares on a one to one basis], could accordingly result in up to approximately [REDACTED] Shares being repurchased by our Company during the period prior to the earliest of:

- the conclusion of the next annual general meeting of our Company unless renewed by an ordinary resolution of our Shareholders in a general meeting, either unconditionally or subject to conditions;
- the expiration of the period within which our Company’s next annual general meeting is required by the Articles of Association or any other applicable laws to be held; or
- the date when it is varied or revoked by an ordinary resolution of our Shareholders in general meeting.

None of our Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their associates currently intends to sell any Shares to our Company.

Our Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the Repurchase Mandate in accordance with the Listing Rules and the applicable laws in the Cayman Islands.

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If, as a result of any repurchase of Shares, a Shareholder’s proportionate interest in the voting rights of our Company increases, such increase will be treated as an acquisition for the purposes of the Takeovers Code. Accordingly, a Shareholder or a group of Shareholders acting in concert could obtain or consolidate control of our Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code. Save as aforesaid, our Directors are not aware of any consequences which would arise under the Takeovers Code as a consequence of any repurchases pursuant to the Repurchase Mandate.

Any repurchase of Shares that results in the number of Shares held by the public being reduced to less than 25% of the Shares then in issue could only be implemented if the Stock Exchange agreed to waive the Listing Rules requirements regarding the public shareholding referred to above. It is believed that a waiver of this provision would not normally be given other than in exceptional circumstances.

No core connected person of our Company has notified our Company that he or she has a present intention to sell Shares to our Company, or has undertaken not to do so, if the Repurchase Mandate is exercised.

B. FURTHER INFORMATION ABOUT OUR BUSINESS

1. Summary of Material Contracts

The following contracts (not being contracts entered into in the ordinary course of business) have been entered into by members of our Group within the two years preceding the date of this [REDACTED] and are or may be material:

- (1) a loan agreement dated February 27, 2017 entered into between Beijing Baien Technology Co., Ltd. (北京拜恩科技有限公司) and Zhu Ling pursuant to which, Beijing Baien Technology Co., Ltd. provided Zhu Ling with an interest-free loan of RMB250,000,000 for the purpose of obtaining the entire equity interest in Beijing Pinecone Digital Co., Ltd., a wholly-owned subsidiary of Beijing Baien Technology Co., Ltd.;
- (2) the Series F-1 preferred share purchase agreement dated August 24, 2017 entered into between, among others, the Company, Nokia Growth Partners II, L.P. and Lei Jun pursuant to which the Company issued 495,830 Series F-1 Shares to Nokia Growth Partners II, L.P., pursuant to which, among other things, Nokia Growth Partners II, L.P. agreed to purchase, and Xiaomi Corporate issued 495,830 Series F-1 Shares of Xiaomi Corporation;
- (3) a deed of adherence dated August 24, 2017 entered into between Nokia Growth Partners II, L.P. and the Xiaomi Corporation in connection with a shareholders agreement dated July 3, 2015 as supplemented and amended from time to time (the Shareholders Agreement), pursuant to which, among other things, Nokia Growth Partners II, L.P. agreed to be bound by the Shareholders Agreement; and
- (4) an exclusive business cooperation agreement dated April 11, 2018 entered into between Xiaomi Communications and Xiaomi Inc., pursuant to which Xiaomi Inc. agreed to engage Xiaomi Communications as the exclusive service provider of technical support, consultation and other services in return for service fees;

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- (5) a power of attorney dated April 11, 2018 executed by Liu De in favor of and accepted by Xiaomi Communications, pursuant to which Liu De agreed to, among other things, exclusively authorize Xiaomi Communications or Xiaomi Communications’s designated person(s) to exercise all of his rights as shareholder of Xiaomi Inc.;
- (6) an exclusive call option agreement dated April 11, 2018 entered into among Xiaomi Communications, Liu De and Xiaomi Inc., pursuant to which Liu De agreed to grant Xiaomi Communications an exclusive and irrevocable option to purchase from Liu De all or part of his equity interests in Xiaomi Inc. for a total consideration of RMB36,643,952;
- (7) an equity pledge agreement dated April 11, 2018 entered into among Xiaomi Communications, Liu De and Xiaomi Inc., pursuant to which Liu De agreed to pledge all of his existing and future equity interests in Xiaomi Inc. to Xiaomi Communications;
- (8) a loan agreement dated April 11, 2018 entered into between Xiaomi Communications and Liu De, pursuant to which Xiaomi Communications agreed to provide a loan of RMB36,643,952 to Liu De to be used exclusively as investment in Xiaomi Inc.;
- (9) a power of attorney dated April 11, 2018 executed by Hong Feng in favor of and accepted by Xiaomi Communications, pursuant to which Hong Feng agreed to, among other things, exclusively authorize Xiaomi Communications or Xiaomi Communications’s designated person(s) to exercise all of his rights as shareholder of Xiaomi Inc.;
- (10) an exclusive call option agreement dated April 11, 2018 entered into among Xiaomi Communications, Hong Feng and Xiaomi Inc., pursuant to which Hong Feng agreed to grant Xiaomi Communications an exclusive and irrevocable option to purchase from Hong Feng all or part of his equity interests in Xiaomi Inc. for a total consideration of RMB183,522,280;
- (11) an equity pledge agreement dated April 11, 2018 entered into among Xiaomi Communications, Hong Feng and Xiaomi Inc., pursuant to which Hong Feng agreed to pledge all of his existing and future equity interests in Xiaomi Inc. to Xiaomi Communications;
- (12) a loan agreement dated April 11, 2018 entered into between Xiaomi Communications and Hong Feng, pursuant to which Xiaomi Communications agreed to provide a loan of RMB183,522,280 to Hong Feng to be used exclusively as investment in Xiaomi Inc.;
- (13) a power of attorney dated April 11, 2018 executed by Lei Jun in favor of and accepted by Xiaomi Communications, pursuant to which Lei Jun agreed to, among other things, exclusively authorize Xiaomi Communications or Xiaomi Communications’s designated person(s) to exercise all of his rights as shareholder of Xiaomi Inc.;
- (14) an exclusive call option agreement dated April 11, 2018 entered into among Xiaomi Communications, Lei Jun and Xiaomi Inc., pursuant to which Lei Jun agreed to grant Xiaomi Communications an exclusive and irrevocable option to purchase from Lei Jun all or part of his equity interests in Xiaomi Inc. for a total consideration of RMB1,418,398,745;
- (15) an equity pledge agreement dated April 11, 2018 entered into among Xiaomi Communications, Lei Jun and Xiaomi Inc., pursuant to which Lei Jun agreed to pledge all of his existing and future equity interests in Xiaomi Inc. to Xiaomi Communications;

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- (16) a loan agreement dated April 11, 2018 entered into between Xiaomi Communications and Lei Jun, pursuant to which Xiaomi Communications agreed to provide a loan of RMB1,418,398,745 to Lei Jun to be used exclusively as investment in Xiaomi Inc.;
- (17) a power of attorney dated April 11, 2018 executed by Li Wanqiang in favor of and accepted by Xiaomi Communications, pursuant to which Li Wanqiang agreed to, among other things, exclusively authorize Xiaomi Communications or Xiaomi Communications’s designated person(s) to exercise all of his rights as shareholder of Xiaomi Inc.;
- (18) an exclusive call option agreement dated April 11, 2018 entered into among Xiaomi Communications, Li Wanqiang and Xiaomi Inc., pursuant to which Li Wanqiang agreed to grant Xiaomi Communications an exclusive and irrevocable option to purchase from Li Wanqiang all or part of his equity interests in Xiaomi Inc. for a total consideration of RMB184,519,034;
- (19) an equity pledge agreement dated April 11, 2018 entered into among Xiaomi Communications, Li Wanqiang and Xiaomi Inc., pursuant to which Li Wanqiang agreed to pledge all of his existing and future equity interests in Xiaomi Inc. to Xiaomi Communications;
- (20) a loan agreement dated April 11, 2018 entered into between Xiaomi Communications and Li Wanqiang, pursuant to which Xiaomi Communications agreed to provide a loan of RMB184,519,034 to Li Wanqiang to be used exclusively as investment in Xiaomi Inc.;
- (21) an exclusive business cooperation agreement dated April 17, 2018 entered into between Beijing Xiaomi Payment Technology Co., Ltd. (北京小米支付技術有限公司) and Beijing Electronic Software, pursuant to which Beijing Electronic Software agreed to engage Beijing Xiaomi Payment Technology Co., Ltd. (北京小米支付技術有限公司) as the exclusive service provider of technical support, consultation and other services in return for service fees;
- (22) a power of attorney dated April 17, 2018 executed by Hong Feng in favor of and accepted by Beijing Xiaomi Payment Technology Co., Ltd. (北京小米支付技術有限公司), pursuant to which Hong Feng agreed to, among other things, exclusively authorize Beijing Xiaomi Payment Technology Co., Ltd. (北京小米支付技術有限公司) or Beijing Xiaomi Payment Technology Co., Ltd. (北京小米支付技術有限公司)’s designated person(s) to exercise all of his rights as shareholder of Beijing Electronic Software;
- (23) an exclusive call option agreement dated April 17, 2018 entered into among Beijing Xiaomi Payment Technology Co., Ltd. (北京小米支付技術有限公司), Hong Feng and Beijing Electronic Software, pursuant to which Hong Feng agreed to grant Beijing Xiaomi Payment Technology Co., Ltd. (北京小米支付技術有限公司) an exclusive and irrevocable option to purchase from Hong Feng all or part of his equity interests in Beijing Electronic Software for a total consideration of RMB207,446,965.61;
- (24) an equity pledge agreement dated April 17, 2018 entered into among Beijing Xiaomi Payment Technology Co., Ltd. (北京小米支付技術有限公司), Hong Feng and Beijing Electronic Software, pursuant to which Hong Feng agreed to pledge all of his existing and future equity interests in Beijing Electronic Software to Beijing Xiaomi Payment Technology Co., Ltd. (北京小米支付技術有限公司);
- (25) a loan agreement dated April 17, 2018 entered into between Beijing Xiaomi Payment Technology Co., Ltd. (北京小米支付技術有限公司) and Hong Feng, pursuant to which Beijing Xiaomi Payment Technology Co., Ltd. (北京小米支付技術有限公司) agreed to

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provide a loan of RMB207,446,965.61 to Hong Feng to be used exclusively as investment in Beijing Electronic Software;

- (26) a power of attorney dated April 17, 2018 executed by Lei Jun in favor of and accepted by Beijing Xiaomi Payment Technology Co., Ltd. (北京小米支付技術有限公司), pursuant to which Lei Jun agreed to, among other things, exclusively authorize Beijing Xiaomi Payment Technology Co., Ltd. (北京小米支付技術有限公司) or Beijing Xiaomi Payment Technology Co., Ltd. (北京小米支付技術有限公司)’s designated person(s) to exercise all of his rights as shareholder of Beijing Electronic Software;
- (27) an exclusive call option agreement dated April 17, 2018 entered into among Beijing Xiaomi Payment Technology Co., Ltd. (北京小米支付技術有限公司), Lei Jun and Beijing Electronic Software, pursuant to which Lei Jun agreed to grant Beijing Xiaomi Payment Technology Co., Ltd. (北京小米支付技術有限公司) an exclusive and irrevocable option to purchase from Lei Jun all or part of his equity interests in Beijing Electronic Software for a total consideration of RMB1,867,022,690.45;
- (28) an equity pledge agreement dated April 17, 2018 entered into among Beijing Xiaomi Payment Technology Co., Ltd. (北京小米支付技術有限公司), Lei Jun and Beijing Electronic Software, pursuant to which Lei Jun agreed to pledge all of his existing and future equity interests in Beijing Electronic Software to Beijing Xiaomi Payment Technology Co., Ltd. (北京小米支付技術有限公司);
- (29) a loan agreement dated April 17, 2018 entered into between Beijing Xiaomi Payment Technology Co., Ltd. (北京小米支付技術有限公司) and Lei Jun, pursuant to which Beijing Xiaomi Payment Technology Co., Ltd. (北京小米支付技術有限公司) agreed to provide a loan of RMB1,867,022,690.45 to Lei Jun to be used exclusively as investment in Beijing Electronic Software;
- (30) an exclusive business cooperation agreement dated December 1, 2017 entered into between Xiaomi Communications and Beijing Wali Culture, pursuant to which Beijing Wali Culture agreed to engage Xiaomi Communications as the exclusive service provider of technical support, consultation and other services in return for service fees;
- (31) a power of attorney dated December 1, 2017 executed by Shang Jin in favor of and accepted by Xiaomi Communications, pursuant to which Shang Jin agreed to, among other things, exclusively authorize Xiaomi Communications or Xiaomi Communications’s designated person(s) to exercise all of his rights as shareholder of Beijing Wali Culture;
- (32) an exclusive call option agreement dated December 1, 2017 entered into among Xiaomi Communications, Shang Jin and Beijing Wali Culture, pursuant to which Shang Jin agreed to grant Xiaomi Communications an exclusive and irrevocable option to purchase from Shang Jin all or part of his equity interests in Beijing Wali Culture for a total consideration of RMB300,000;
- (33) an equity pledge agreement dated December 1, 2017 entered into among Xiaomi Communications, Shang Jin and Beijing Wali Culture, pursuant to which Shang Jin agreed to pledge all of his existing and future equity interests in Beijing Wali Culture to Xiaomi Communications;
- (34) a loan agreement dated December 1, 2017 entered into between Xiaomi Communications and Shang Jin, pursuant to which Xiaomi Communications agreed to provide a loan of RMB300,000 to Shang Jin to be used exclusively as investment in Beijing Wali Culture;

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- (35) a power of attorney dated December 1, 2017 executed by Lei Jun in favor of and accepted by Xiaomi Communications, pursuant to which Lei Jun agreed to, among other things, exclusively authorize Xiaomi Communications or Xiaomi Communications’s designated person(s) to exercise all of his rights as shareholder of Beijing Wali Culture;
- (36) an exclusive call option agreement dated December 1, 2017 entered into among Xiaomi Communications, Lei Jun and Beijing Wali Culture, pursuant to which Lei Jun agreed to grant Xiaomi Communications an exclusive and irrevocable option to purchase from Lei Jun all or part of his equity interests in Beijing Wali Culture for a total consideration of RMB2,700,000;
- (37) an equity pledge agreement dated December 1, 2017 entered into among Xiaomi Communications, Lei Jun and Beijing Wali Culture, pursuant to which Lei Jun agreed to pledge all of his existing and future equity interests in Beijing Wali Culture to Xiaomi Communications;
- (38) a loan agreement dated December 1, 2017 entered into between Xiaomi Communications and Lei Jun, pursuant to which Xiaomi Communications agreed to provide a loan of RMB2,700,000 to Lei Jun to be used exclusively as investment in Beijing Wali Culture;
- (39) an exclusive business cooperation agreement dated April 11, 2018 entered into between Beijing Wali and Beijing Wali Internet, pursuant to which Beijing Wali Internet agreed to engage Beijing Wali as the exclusive service provider of technical support, consultation and other services in return for service fees;
- (40) a power of attorney dated April 11, 2018 executed by Liu Jingyan in favor of and accepted by Beijing Wali, pursuant to which Liu Jingyan agreed to, among other things, exclusively authorize Beijing Wali or Beijing Wali’s designated person(s) to exercise all of his rights as shareholder of Beijing Wali Internet;
- (41) an exclusive call option agreement dated April 11, 2018 entered into among Beijing Wali, Liu Jingyan and Beijing Wali Internet, pursuant to which Liu Jingyan agreed to grant Beijing Wali an exclusive and irrevocable option to purchase from Liu Jingyan all or part of his equity interests in Beijing Wali Internet for a total consideration of RMB1;
- (42) an equity pledge agreement dated April 11, 2018 entered into among Beijing Wali, Liu Jingyan and Beijing Wali Internet, pursuant to which Liu Jingyan agreed to pledge all of his existing and future equity interests in Beijing Wali Internet to Beijing Wali;
- (43) a power of attorney dated April 11, 2018 executed by Liu Yang in favor of and accepted by Beijing Wali, pursuant to which Liu Yang agreed to, among other things, exclusively authorize Beijing Wali or Beijing Wali’s designated person(s) to exercise all of her rights as shareholder of Beijing Wali Internet ;
- (44) an exclusive call option agreement dated April 11, 2018 entered into among Beijing Wali, Liu Yang and Beijing Wali Internet, pursuant to which Liu Yang agreed to grant Beijing Wali an exclusive and irrevocable option to purchase from Liu Yang all or part of her equity interests in Beijing Wali Internet for a total consideration of RMB1;
- (45) an equity pledge agreement dated April 11, 2018 entered into among Beijing Wali, Liu Yang and Beijing Wali Internet, pursuant to which Liu Yang agreed to pledge all of her existing and future equity interests in Beijing Wali Internet to Beijing Wali;

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- (46) a power of attorney dated April 11, 2018 executed by Nan Nan in favor of and accepted by Beijing Wali, pursuant to which Nan Nan agreed to, among other things, exclusively authorize Beijing Wali or Beijing Wali’s designated person(s) to exercise all of her rights as shareholder of Beijing Wali Internet ;
- (47) an exclusive call option agreement dated April 11, 2018 entered into among Beijing Wali, Nan Nan and Beijing Wali Internet, pursuant to which Nan Nan agreed to grant Beijing Wali an exclusive and irrevocable option to purchase from Nan Nan all or part of her equity interests in Beijing Wali Internet for a total consideration of RMB1;
- (48) an equity pledge agreement dated April 11, 2018 entered into among Beijing Wali, Nan Nan and Beijing Wali Internet, pursuant to which Nan Nan agreed to pledge all of her existing and future equity interests in Beijing Wali Internet to Beijing Wali;
- (49) a power of attorney dated April 11, 2018 executed by Yuan Bin in favor of and accepted by Beijing Wali, pursuant to which Yuan Bin agreed to, among other things, exclusively authorize Beijing Wali or Beijing Wali’s designated person(s) to exercise all of his rights as shareholder of Beijing Wali Internet ;
- (50) an exclusive call option agreement dated April 11, 2018 entered into among Beijing Wali, Yuan Bin and Beijing Wali Internet, pursuant to which Yuan Bin agreed to grant Beijing Wali an exclusive and irrevocable option to purchase from Yuan Bin all or part of his equity interests in Beijing Wali Internet for a total consideration of RMB1;
- (51) an equity pledge agreement dated April 11, 2018 entered into among Beijing Wali, Yuan Bin and Beijing Wali Internet, pursuant to which Yuan Bin agreed to pledge all of his existing and future equity interests in Beijing Wali Internet to Beijing Wali;
- (52) a power of attorney dated April 11, 2018 executed by Lei Jun in favor of and accepted by Beijing Wali, pursuant to which Lei Jun agreed to, among other things, exclusively authorize Beijing Wali or Beijing Wali’s designated person(s) to exercise all of his rights as shareholder of Beijing Wali Internet ;
- (53) an exclusive call option agreement dated April 11, 2018 entered into among Beijing Wali, Lei Jun and Beijing Wali Internet, pursuant to which Lei Jun agreed to grant Beijing Wali an exclusive and irrevocable option to purchase from Lei Jun all or part of his equity interests in Beijing Wali Internet for a total consideration of RMB1;
- (54) an equity pledge agreement dated April 11, 2018 entered into among Beijing Wali, Lei Jun and Beijing Wali Internet, pursuant to which Lei Jun agreed to pledge all of his existing and future equity interests in Beijing Wali Internet to Beijing Wali;
- (55) a power of attorney dated April 11, 2018 executed by Liang Qiushi in favor of and accepted by Beijing Wali, pursuant to which Liang Qiushi agreed to, among other things, exclusively authorize Beijing Wali or Beijing Wali’s designated person(s) to exercise all of his rights as shareholder of Beijing Wali Internet;
- (56) an exclusive call option agreement dated April 11, 2018 entered into among Beijing Wali, Liang Qiushi and Beijing Wali Internet, pursuant to which Liang Qiushi agreed to grant Beijing Wali an exclusive and irrevocable option to purchase from Liang Qiushi all or part of his equity interests in Beijing Wali Internet for a total consideration of RMB1;
- (57) an equity pledge agreement dated April 11, 2018 entered into among Beijing Wali, Liang Qiushi and Beijing Wali Internet, pursuant to which Liang Qiushi agreed to pledge all of his existing and future equity interests in Beijing Wali Internet to Beijing Wali;

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- (58) an exclusive business cooperation agreement dated April 11, 2018 entered into between Beijing Digital Technology and Beijing Duokan, pursuant to which Beijing Duokan agreed to engage Beijing Digital Technology as the exclusive service provider of technical support, consultation and other services in return for service fees;
- (59) a power of attorney dated April 11, 2018 executed by Wang Chuan in favor of and accepted by Beijing Digital Technology, pursuant to which Wang Chuan agreed to, among other things, exclusively authorize Beijing Digital Technology or Beijing Digital Technology’s designated person(s) to exercise all of his rights as shareholder of Beijing Duokan;
- (60) an exclusive call option agreement dated April 11, 2018 entered into among Beijing Digital Technology, Wang Chuan and Beijing Duokan, pursuant to which Wang Chuan agreed to grant Beijing Digital Technology an exclusive and irrevocable option to purchase from Wang Chuan all or part of his equity interests in Beijing Duokan for a total consideration of RMB1;
- (61) an equity pledge agreement dated April 11, 2018 entered into among Beijing Digital Technology, Wang Chuan and Beijing Duokan, pursuant to which Wang Chuan agreed to pledge all of his existing and future equity interests in Beijing Duokan to Beijing Digital Technology;
- (62) a power of attorney dated April 11, 2018 executed by Lei Jun in favor of and accepted by Beijing Digital Technology, pursuant to which Lei Jun agreed to, among other things, exclusively authorize Beijing Digital Technology or Beijing Digital Technology’s designated person(s) to exercise all of his rights as shareholder of Beijing Duokan;
- (63) an exclusive call option agreement dated April 11, 2018 entered into among Beijing Digital Technology, Lei Jun and Beijing Duokan, pursuant to which Lei Jun agreed to grant Beijing Digital Technology an exclusive and irrevocable option to purchase from Lei Jun all or part of his equity interests in Beijing Duokan for a total consideration of RMB1;
- (64) an equity pledge agreement dated April 11, 2018 entered into among Beijing Digital Technology, Lei Jun and Beijing Duokan, pursuant to which Lei Jun agreed to pledge all of his existing and future equity interests in Beijing Duokan to Beijing Digital Technology;
- (65) an exclusive business cooperation agreement dated April 11, 2018 entered into between Xiaomi Mobile Software and Rigo Design, pursuant to which Rigo Design agreed to engage Xiaomi Mobile Software as the exclusive service provider of technical support, consultation and other services in return for service fees;
- (66) a power of attorney dated April 11, 2018 executed by Zhu Yin in favor of and accepted by Xiaomi Mobile Software, pursuant to which Zhu Yin agreed to, among other things, exclusively authorize Xiaomi Mobile Software or Xiaomi Mobile Software’s designated person(s) to exercise all of his rights as shareholder of Rigo Design;
- (67) an exclusive call option agreement dated April 11, 2018 entered into among Xiaomi Mobile Software, Zhu Yin and Rigo Design, pursuant to which Zhu Yin agreed to grant Xiaomi Mobile Software an exclusive and irrevocable option to purchase from Zhu Yin all or part of his equity interests in Rigo Design for a total consideration of RMB1;

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- (68) an equity pledge agreement dated April 11, 2018 entered into among Xiaomi Mobile Software, Zhu Yin and Rigo Design, pursuant to which Zhu Yin agreed to pledge all of his existing and future equity interests in Rigo Design to Xiaomi Mobile Software;
- (69) a power of attorney dated April 11, 2018 executed by Li Jiong in favor of and accepted by Xiaomi Mobile Software, pursuant to which Li Jiong agreed to, among other things, exclusively authorize Xiaomi Mobile Software or Xiaomi Mobile Software’s designated person(s) to exercise all of his rights as shareholder of Rigo Design;
- (70) an exclusive call option agreement dated April 11, 2018 entered into among Xiaomi Mobile Software, Li Jiong and Rigo Design, pursuant to which Li Jiong agreed to grant Xiaomi Mobile Software an exclusive and irrevocable option to purchase from Li Jiong all or part of his equity interests in Rigo Design for a total consideration of RMB1;
- (71) an equity pledge agreement dated April 11, 2018 entered into among Xiaomi Mobile Software, Li Jiong and Rigo Design, pursuant to which Li Jiong agreed to pledge all of his existing and future equity interests in Rigo Design to Xiaomi Mobile Software;
- (72) an exclusive business cooperation agreement dated April 11, 2018 entered into between Beijing Wenmi and Xiaomi Pictures, pursuant to which Xiaomi Pictures agreed to engage Beijing Wenmi as the exclusive service provider of technical support, consultation and other services in return for service fees;
- (73) a power of attorney dated April 11, 2018 executed by Liu De in favor of and accepted by Beijing Wenmi, pursuant to which Liu De agreed to, among other things, exclusively authorize Beijing Wenmi or Beijing Wenmi’s designated person(s) to exercise all of his rights as shareholder of Xiaomi Pictures;
- (74) an exclusive call option agreement dated April 11, 2018 entered into among Beijing Wenmi, Liu De and Xiaomi Pictures, pursuant to which Liu De agreed to grant Beijing Wenmi an exclusive and irrevocable option to purchase from Liu De all or part of his equity interests in Xiaomi Pictures for a total consideration of RMB1;
- (75) an equity pledge agreement dated April 11, 2018 entered into among Beijing Wenmi, Liu De and Xiaomi Pictures, pursuant to which Liu De agreed to pledge all of his existing and future equity interests in Xiaomi Pictures to Beijing Wenmi;
- (76) a power of attorney dated April 11, 2018 executed by Hong Feng in favor of and accepted by Beijing Wenmi, pursuant to which Hong Feng agreed to, among other things, exclusively authorize Beijing Wenmi or Beijing Wenmi’s designated person(s) to exercise all of his rights as shareholder of Xiaomi Pictures;
- (77) an exclusive call option agreement dated April 11, 2018 entered into among Beijing Wenmi, Hong Feng and Xiaomi Pictures, pursuant to which Hong Feng agreed to grant Beijing Wenmi an exclusive and irrevocable option to purchase from Hong Feng all or part of his equity interests in Xiaomi Pictures for a total consideration of RMB1;
- (78) an equity pledge agreement dated April 11, 2018 entered into among Beijing Wenmi, Hong Feng and Xiaomi Pictures, pursuant to which Hong Feng agreed to pledge all of his existing and future equity interests in Xiaomi Pictures to Beijing Wenmi;
- (79) a power of attorney dated April 11, 2018 executed by Li Wanqiang in favor of and accepted by Beijing Wenmi, pursuant to which Li Wanqiang agreed to, among other

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things, exclusively authorize Beijing Wenmi or Beijing Wenmi’s designated person(s) to exercise all of his rights as shareholder of Xiaomi Pictures;

- (80) an exclusive call option agreement dated April 11, 2018 entered into among Beijing Wenmi, Li Wanqiang and Xiaomi Pictures, pursuant to which Li Wanqiang agreed to grant Beijing Wenmi an exclusive and irrevocable option to purchase from Li Wanqiang all or part of his equity interests in Xiaomi Pictures for a total consideration of RMB1;
- (81) an equity pledge agreement dated April 11, 2018 entered into among Beijing Wenmi, Li Wanqiang and Xiaomi Pictures, pursuant to which Li Wanqiang agreed to pledge all of his existing and future equity interests in Xiaomi Pictures to Beijing Wenmi;
- (82) [[REDACTED] Agreement]; and
- (83) the Hong Kong [REDACTED].

2. Intellectual Property Rights

(a) Trademarks

As March 31, 2018, we had registered the following trademarks that we consider to be or may be material to our business:

No.	Trademark	Registered Owner	Place of Registration	Class	Registered Number	Registration Date (mm/dd/yyyy)
1.		Xiaomi Inc.	mainland China	9	8911270	07/07/2012
2.		Xiaomi Inc.	mainland China	37	10268535	02/07/2013
3.		Xiaomi Inc.	mainland China	35	10979461	10/21/2013
4.		Xiaomi Inc.	mainland China	36	10268536	02/07/2013
5.		Xiaomi Inc.	mainland China	38	10268534	02/07/2013
6.		Xiaomi Inc.	mainland China	42	10273145	03/07/2013
7.		Xiaomi Inc.	mainland China	25	10268539	03/07/2013
8.		Xiaomi Inc.	mainland China	18	10268542	02/07/2013
9.		Xiaomi Inc.	mainland China	9	10979448	08/14/2014
10.	小米	Xiaomi Inc.	mainland China	9	8228211	04/28/2011
11.		Xiaomi Inc.	mainland China	9	10674583	04/07/2015
12.		Xiaomi Inc.	mainland China	16	10268558	02/07/2013
13.	小米	Xiaomi Inc.	mainland China	35	8298568	05/07/2013
14.		Xiaomi Inc.	mainland China	36	10268552	02/07/2013

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No.	Trademark	Registered Owner	Place of Registration	Class	Registered Number	Registration Date (mm/dd/yyyy)
15.		Xiaomi Inc.	mainland China	37	10268551	05/07/2014
16.		Xiaomi Inc.	mainland China	38	8298621	08/07/2011
17.		Xiaomi Inc.	mainland China	42	10268548	02/07/2013
18.		Xiaomi Inc.	mainland China	9	10272726	09/07/2014
19.		Xiaomi Inc.	mainland China	11	8522198	08/07/2011
20.		Xiaomi Inc.	mainland China	11	15161529	03/28/2017
21.		Xiaomi Inc.	mainland China	7	15161531	09/28/2015
22.		Xiaomi Inc.	mainland China	11	16953358	01/07/2017
23.		Xiaomi Inc.	mainland China	9	16953287	10/21/2017
24.		Xiaomi Inc.	mainland China	9	11263303	04/07/2016
25.		Xiaomi Inc.	mainland China	9	13846095A	05/28/2015
26.		Xiaomi Inc.	mainland China	9	11506548	02/21/2014
27.		Xiaomi Inc.	mainland China	9	14532784	12/07/2015
28.		Beijing Duokan	mainland China	9	8471269	07/21/2011
29.		Xiaomi Inc.	mainland China	28	10308449	06/07/2014
30.		Xiaomi Inc.	mainland China	9	10979418	09/21/2013
31.		Xiaomi Inc.	mainland China	9	19072758	03/14/2017
32.		Xiaomi Inc.	mainland China	9	10286656	05/21/2016
33.		Xiaomi Inc.	mainland China	35	10286657	02/14/2013
34.		Xiaomi Inc.	mainland China	37	10286658	05/14/2014
35.		Xiaomi Inc.	mainland China	9	8701320	10/07/2011
36.		Xiaomi Inc.	mainland China	42	8701376	11/28/2011
37.		Xiaomi Inc.	mainland China	9	9082558	02/07/2012
38.		Xiaomi Inc.	Hong Kong	3, 5, 8, 9, 11, 12, 14, 16, 17, 18, 20, 21, 22, 24, 25, 26, 27, 28, 30, 34, 35, 36, 38, 41, 42, 43, 45	302269486	02/17/2014
39.		Xiaomi Inc.	Hong Kong	9, 11, 14, 25, 35, 38, 42	302266164AA	11/24/2016

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No.	Trademark	Registered Owner	Place of Registration	Class	Registered Number	Registration Date (mm/dd/yyyy)
40.	小米	Xiaomi Inc.	Hong Kong	3, 5, 8, 12, 16, 17, 18, 20, 21, 22	302266579	11/30/2016
41.	小米	Xiaomi Inc.	Hong Kong	24, 26, 27, 28, 34, 36, 38, 41, 43, 45	302266588	08/22/2016
42.	XIAOMI	Xiaomi Inc.	Hong Kong	9, 11, 14, 25, 35, 38, 42	302267749	12/23/2013
43.	XIAOMI	Xiaomi Inc.	Hong Kong	3, 5, 8, 12, 16, 17, 18, 20, 21, 22	302267703	03/17/2014
44.	XIAOMI	Xiaomi Inc.	Hong Kong	24, 26, 27, 28, 30, 34, 36, 41, 43, 45	302267758	12/23/2013
45.	mijia	Xiaomi Inc.	Hong Kong	11, 20, 24, 38	303801555	03/07/2017
46.	米家	Xiaomi Inc.	Hong Kong	7, 9, 10, 11, 12, 28, 42	303836755	05/31/2017
47.	米家	Xiaomi Inc.	Hong Kong	14, 16, 20, 21, 25, 35, 38	303836764	05/31/2017
48.	红米	Xiaomi Inc.	Hong Kong	9, 35, 38, 42	302825668	08/19/2014
49.	MIUI	Xiaomi Inc.	Hong Kong	3, 5, 8, 9, 11, 12, 16, 17, 20, 22, 24, 26, 27, 28, 30, 34, 38, 41, 42, 43, 45	302269495	02/24/2014
50.	米兔	Xiaomi Inc.	Hong Kong	9, 11, 14, 25, 35, 38, 42	302267938	02/24/2014
51.	小米之家	Xiaomi Inc.	Hong Kong	35, 37, 43	302267992	05/06/2013
52.	MIUI MIUI	Xiaomi Inc.	Hong Kong	9, 35, 42	302269521	04/23/2013
53.	米聊	Xiaomi Inc.	Hong Kong	9, 35, 42	302267893	04/10/2013

(b) Patents

As of March 31, 2018, we had over 3,600 patents registered with the State Intellectual Property Office of mainland China and over 10,900 pending patent applications in mainland China. Globally, we had over 3,500 patents registered and over 5,800 pending patent applications in various overseas countries and jurisdictions, including the United States, Europe (including but not limited to, UK, France, Germany), India, Japan and Russia. These registered patents include patents with respect to smartphones, smart hardware, internet technologies, manufacture and product design.

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(c) Copyrights

As of March 31, 2018, we had registered the following copyrights which are material in relation to our Group’s business:

i) Works (作品)

No.	Copyright	Registration Number	Registration Date (mm/dd/yyyy)
1.	MI Logo (MI圖形)	國作登字-2018-F-00400972	1/18/2018
2.	Identity logo of Mi Home (小米之家形象識別圖)	國作登字-2018-F-00400973	1/18/2018
3.	Logo design of MIUI-V5 (MIUI-V5圖形設計)	國作登字-2013-F-00091328	05/14/2013
4.	Humei (狐妹)	國作登字2013-F-00086981	04/03/2013
5.	Packaging diagram of Vinyl Mitu (米兔搪膠包裝圖)	國作登字-2012-F-00057277	03/26/2012
6.	Outer packaging diagram of Mitu Plush Doll (米兔毛絨玩偶外包裝圖)	國作登字-2012-F-00057289	03/26/2012
7.	Logo of uniform of Mitu customer services (米兔客服衣服圖案)	國作登字-2012-F-00058112	03/29/2012
8.	Logo of Mitu customer services (米兔客服Logo)	國作登字-2012-F-00058113	03/29/2012
9.	Graphic of Mitu lifting a flag (米兔舉旗)	國作登字-2012-F-00058118	03/29/2012
10.	Silicone packaging of Mitu (米兔矽膠包裝)	國作登字-2012-F-00057282	03/26/2012
11.	Emotion images of Mitu (米兔表情原型)	2011-F-052862	12/29/2011
12.	Mi Transformers—Munch (MI變形系列之蒙克)	2011-F-052860	12/29/2011
13.	Barcode on outer packaging of elephant mobile phone stand (小象手機支架外包裝條形碼圖案)	2011-F-052886	12/29/2011
14.	Emotion images of Mitu (米兔表情原型)	2011-F-052863	12/29/2011
15.	Mi Transformers—Dali (MI變形系列之達利)	2011-F-050631	12/07/2011
16.	Logo of Mi (Mi圖形)	國作登字-2017-F-00360143	03/01/2017
17.	MIJIA and its logo (MIJIA及圖形)	國作登字-2016-F-00269796	05/17/2016
18.	Message ringtone (短信鈴音)	國作登字-2014-S-00134992	07/25/2014
19.	Call ringtone (手機鈴音)	國作登字-2014-B-00128894	07/15/2014
20.	Logo of MIJIA Customized Products (米家定制logo)	國作登字-2017-F-00477188	06/20/2017
21.	Weather icons on MiHome (小米桌面天氣圖標)	國作登字-2013-F-00117358	12/13/2013
22.	Logo of Mi VR (小米VRLOGO)	國作登字-2017-F-00486855	07/27/2017
23.	Virtual image of Mi Ai (小愛虛擬形象)	國作登字-2017-F-00439079	12/04/2017
24.	Graphic of Mitu Standing (米兔站立圖形)	國作登字-2017-F-00442760	12/13/2017

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ii) Software (軟件)

No.	Copyright	Version	Registration Number	Registration Date (mm/dd/yyyy)
1.	Duokan Reader Software (iOS 5.0 Version) (多看閱讀軟件 (iOS 5.0 版))	V1.0	2013SR042791	05/09/2013
2.	Duokan Reader Software (for Android 4.0 Version) (多看閱讀軟件 (for Android 4.0 版))	V1.0	2013SR048012	05/21/2013
3.	Duokan Reader Software (for Android 4.2 Version) (多看閱讀軟件 (for Android 4.2 版))	V1.0	2013SR042800	05/09/2013
4.	Duokan Reader Software (iOS 6.0 Version) (多看閱讀軟件 (iOS 6.0 版))	V1.0	2013SR042631	05/09/2013
5.	Duokan Ebook Dictionary System (多看電紙書字典系統)	V1.0	2010SR057944	11/02/2010
6.	Airkan Agreement Software (Airkan 協議軟件)	V1.0	2016SR089191	04/28/2016
7.	MiBoxUI System Software (小米 MiBoxUI 系統軟件)	V1.0	2017SR242069	06/07/2017
8.	MIUI Online Video Software (MIUI 在綫視頻軟件)	V1.0	2016SR089195	04/28/2016
9.	Doukan Video Software (For AppleTV) (多看視頻軟件 (for AppleTV))	V1.0	2016SR089200	04/28/2016
10.	Mobile remote control software for Xiaomi Hub (盒子手機遙控軟件)	V1.0	2016SR089202	04/28/2016
11.	Video software for Xiaomi Hub (盒子在綫視頻軟件)	V1.0	2016SR089206	04/28/2016
12.	Video player software for mobile phone (手機視頻播放軟件)	V1.0	2016SR089211	04/28/2016
13.	Miliao communication software (for Windows 8) (米聊 Windows8 版本通訊軟件)	V1.0	2013SR076133	07/29/2013
14.	OS software for MIUI Mobile App (MIUI 移動操作系統軟件)	V1.0	2013SR036886	04/24/2013
15.	Mihome software (小米桌面軟件)	V1.0	2013SR033509	04/12/2013
16.	Xiaomi operational data system software (小米運營數據系統軟件)	V1.0	2012SR034956	05/03/2012
17.	After-sale service system software of Xiaomi Technology (小米科技售後服務系統軟件)	V1.0	2012SR035052	05/03/2012
18.	Xiaomi Storage software (小米倉儲軟件)	V1.0	2012SR034666	05/03/2012

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No.	Copyright	Version	Registration Number	Registration Date (mm/dd/yyyy)
19.	Software for Xiaomi Mobile Online Shop (Android version) (小米移動網上營業廳軟件 (Android 版))	V1.0	2016SR330529	11/15/2016
20.	Software for Xiaomi Mobile Online Shop (iOS version) (小米移動網上營業廳軟件 (iOS 版))	V1.0	2016SR322156	11/08/2016
21.	Software for Xiaomi Mall (小米商城軟件)	V1.0	2015SR115578	06/25/2015
22.	Xiaomi Reading software (for Android version) (小米小說軟件 (for Android 版))	V1.0	2013SR159136	12/27/2013
23.	Software for Xiaomi Mobile Assistant (小米手機助手軟件)	V1.0	2013SR116591	10/31/2013
24.	Mobile instant communication software of Miliiao (for Android) (小米米聊 Android 平台手機即時通訊軟件)	V1.0	2011SR098162	12/20/2011
25.	Software for Xiaomi App store (小米應用超市軟件)	V1.0	2012SR028632	04/12/2012
26.	Software for Xiaomi themes (小米主題軟件)	V1.0	2012SR028630	04/12/2012
27.	Xiaomi system update software (小米系統更新軟件)	V1.0	2012SR028575	04/12/2012
28.	Xiaomi Music software (小米音樂軟件)	V1.0	2012SR028595	04/12/2012
29.	Xiaomi gallery software (小米圖庫軟件)	V1.0	2012SR028577	04/12/2012
30.	Xiaomi contacts software (小米連絡人軟件)	V1.0	2012SR028592	04/12/2012
31.	Do Not Disturb software of Xiaomi (小米防打擾軟件)	V1.0	2012SR028586	04/12/2012
32.	Xiaomi message software (小米短信軟件)	V1.0	2012SR028606	04/12/2012
33.	Software for Xiaomi phones (小米電話軟件)	V1.0	2012SR028581	04/12/2012
34.	Software for Xiaomi routers (小米路由器軟件)	V1.0	2015SR243564	12/04/2015
35.	Xiaomi lockscreen software (小米鎖屏軟件)	V1.0	2012SR028628	04/12/2012
36.	Xiaomi launcher software (小米啟動器軟件)	V1.0	2012SR015648	03/01/2012
37.	MIUI OS software (小米MIUI操作系統軟件)	V3.0	2016SR195143	07/27/2016

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No.	Copyright	Version	Registration Number	Registration Date (mm/dd/yyyy)
38.	MIUI OS software (小米MIUI操作系統軟件)	V4.0	2016SR343242	11/28/2016
39.	Push software of Xiaomi (小米推送軟件)	V1.0	2016SR122824	05/28/2016
40.	Xiaomi one-touch screen replacement software (小米一鍵換機軟件)	V1.0	2016SR060788	03/23/2016
41.	MIUI FM Radio software (小米電台軟件)	V1.0	2015SR116918	06/26/2015
42.	Software for Xiaomi Smart Home APP (小米智能家庭APP軟件)	V1.0	2015SR089041	05/23/2015
43.	Android-based OS software for Mi Tablets (小米安卓平板操作系統軟件)	V1.0	2014SR159071	10/23/2014
44.	Software of Redmi Jeejen App (紅米極簡模式軟件)	V1.0	2014SR197607	12/17/2014
45.	Software for Xiaomi NFC Smart Tag system (小米NFC碰碰貼系統軟件)	V1.0	2014SR091997	07/05/2014
46.	Xiaomi system software (小米系統軟件)	V1.0	2014SR060783	05/15/2014
47.	Mobile instant communication software of Miliao (for iPhone) (小米米聊iPhone平台手機即時通訊軟件)	V2.0	2014SR054052	05/05/2014
48.	Android-based OS software for Xiaomi mobile phones (for Southeast Asia) (小米安卓手機操作系統(東南亞版)軟件)	V2.1	2014SR017864	02/14/2014
49.	Mobile instant communication software of Miliao (for Android) (小米米聊Android平台手機社交通訊軟件)	V2.0	2014SR035177	03/29/2014
50.	Android-based OS software for Xiaomi mobile phones (小米安卓手機操作系統軟件)	V2.0	2013SR141237	12/09/2013
51.	Android-based OS software for Xiaomi mobile phones (小米安卓手機操作系統軟件)	V1.0	2012SR037797	05/11/2012
52.	Live video streaming software of “Kuaishipin” (“快視頻”互聯網短視頻播放軟件)	V1.0	2017SR212931	05/26/2017
53.	Xiangkan video software (Android version) (想看視頻軟件(Android版))	V1.0	2017SR233885	06/05/2017

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54.	Weiguan software (Android version) (圍觀軟件(Android版))	V1.0	2017SR252275	06/09/2017
55.	Cabinet software for new applications of Xiaomi (小米新應用 技術櫃架軟件)	V1.0	2017SR290748	06/20/2017
56.	Gallery software (臉圖軟件)	V1.0	2017SR304474	06/23/2017
57.	MIJIA YOUPIN E-commence application software (米家有品電商 應用軟件)	V1.0	2017SR378443	07/18/2017
58.	Xiaomi loan servicing software (Android version) (小米貸款軟件 (Android版))	V1.0	2017SR575607	10/19/2017
59.	Xiaomi document storage software (小米文件存儲軟件)	V1.0	2017SR575965	10/19/2017
60.	Xiaomi structured storage software (小米結構化存儲軟件)	V1.0	2017SR575713	10/19/2017
61.	Global search software (全局搜索軟 件)	V1.0	2017SR575615	10/19/2017
62.	MIJIA walkie-talkie APP software (iOS version) (米家對講機APP軟 件(iOS版))	V1.0	2017SR149027	05/02/2017
63.	MIJIA walkie-talkie APP software (Android version) (米家對講機 APP軟件(Android版))	V1.0	2017SR239065	06/06/2017
64.	Aiya Baobei system software (Android version) (哎呀寶貝系統軟 件(Android版))	V1.0	2017SR582112	10/23/2017
65.	Xiaomi IoT open platform software (小米IoT開放平台軟件)	V1.0	2017SR601937	11/02/2017
66.	Xiaomi flexible message display system (小米彈性消息隊列系統)	V1.0	2017SR620605	11/13/2017
67.	Xiaomi ecoCloud management control panel software (小米生態雲 管理控制台軟件)	V1.0	2017SR620770	11/13/2017
68.	Xiaomi browser software (小米瀏覽 器軟件)	V1.0	2017SR649864	11/27/2017
69.	Xiaomi music software (小米音樂軟 件)	V2.0	2017SR649802	11/27/2017
70.	Xiaomi media platform system (小 米媒體平台系統)	V1.0	2017SR649873	11/27/2017

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No.	Copyright	Version	Registration Number	Registration Date (mm/dd/yyyy)
71.	Xiaomi MIUI operating system software (小米MIUI操作系統軟件)	V5.0	2017SR633503	11/17/2017
72.	Xiaomi advertisement platform scheduling system (小米廣告平台排期系統)	V1.0	2017SR649847	11/27/2017
73.	Yimi advertisement system software (億米廣告投放系統軟件)	V1.0	2017SR649854	11/27/2017
74.	Pegasus disturbed key-value system software (Pegasus分布式鍵值系統軟件)	V1.0	2017SR634974	11/20/2017
75.	Xiaomi system N software (Android version) (小米系統N軟件 (Android版))	V1.0	2017SR642654	11/22/2017
76.	Xiaomi system M software (Android version) (小米系統M軟件(Android版))	V1.0	2017SR642526	11/22/2017
77.	Xiaomi MetokNLP network positioning software (小米MetokNLP網絡定位軟件)	V1.0	2017SR655541	11/29/2017
78.	Miyue reader software (米閱小說軟件)	V1.0	2017SR692078	12/14/2017
79.	Xiaomi theme services system (小米主題服務系統)	V1.0	2017SR670644	12/06/2017
80.	Video player SDK software (視頻播放SDK軟件)	V1.0	2018SR071755	01/30/2018
81.	Xiaomi MIUI system software (小米MIUI系統軟件)	V1.0	2013SR051124	05/29/2013
82.	Xiaomi finance software (小米金融軟件)	V1.0	2015SR115582	06/25/2015
83.	Xiaomi payment system software (PC version) (小米支付系統軟件(PC版))	V1.0	2015SR070668	04/28/2015
84.	Xiaomi payment system software (Android version) (小米支付系統軟件 (Android版))	V1.0	2015SR069815	04/27/2015
85.	Gancuidai loan servicing software (乾脆貸貸款軟件)	V1.0	2017SR673143	12/07/2017

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(d) Domain names

As of March 31, 2018, we owned the following domain names which we consider to be or may be material to our business:

No.	Domain Name	Registered Owner	Expiry Date (mm/dd/yyyy)
1.	mi.com	Xiaomi Inc.	11/05/2023
2.	xiaomi.com	Xiaomi Inc.	07/22/2020
3.	miui.com	Xiaomi Inc.	12/05/2022
4.	mipay.com	Beijing Xiaomi Payment Technology Co., Ltd. (北京小米支付技术有限公司)	07/03/2019
5.	miwifi.com	Xiaomi Inc.	02/21/2022
6.	miliao.com	Xiaomi Inc.	04/29/2020
7.	duokan.com	Beijing Duokan	02/25/2023
8.	xiaomi.cn	Xiaomi Inc.	06/18/2022
9.	miui.cn	Xiaomi Inc.	06/24/2020
10.	xiaomi.net	Xiaomi Inc.	03/24/2020
11.	mipay.net	Jiefu Ruitong Inc.	08/01/2020
12.	mioffice.cn	Xiaomi Inc.	07/20/2020
13.	mi.cn	Xiaomi Inc.	12/27/2019
14.	mijiayoupin.com	Beijing Mobile Software	12/01/2020
15.	wali.com	Beijing Wali Internet	05/01/2020

Save as aforesaid, as of March 31, 2018, there were no other intellectual property rights which were material to our business.

C. FURTHER INFORMATION ABOUT OUR DIRECTORS

1. Particulars of Directors’ service contracts and appointment letters

(a) Executive Directors

Each of the executive Directors has entered into a service contract with our Company on [●] 2018. The initial term of their service contracts shall commence from the date of his or her appointment and continue for a period of three years after or until the third annual general meeting of the Company since the [REDACTED], whichever is earlier (subject always to re-election as and when required under the Articles of Association), until terminated in accordance with the terms and conditions of the service contract or by either party giving to the other not less than one months’ prior notice in writing.

No annual director’s fees are payable to the executive Directors under the current arrangement.

(b) Non-executive Directors and independent non-executive Directors

Each of the non-executive Directors has entered into an appointment letter with our Company on [●], 2018. The initial term for their appointment letters shall commence from the date of their

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appointments and shall continue for three years after or until the third annual general meeting of the Company since the [REDACTED], whichever is sooner, (subject always to re-election as and when required under the Articles of Association) until terminated in accordance with the terms and conditions of the appointment letter or by either party giving to the other not less than one month's prior notice in writing. Under these appointment letters, each of the non-executive Directors will receive an annual director's fee of HK\$[●].

Each of the independent non-executive Directors has entered into an appointment letter with our Company on [●], 2018. The initial term for their appointment letters shall be three years from the date of this [REDACTED] or until the third annual general meeting of the Company since the [REDACTED], whichever is sooner, (subject always to re-election as and when required under the Articles of Association) until terminated in accordance with the terms and conditions of the appointment letter or by either party giving to the other not less than three months' prior notice in writing. Under these appointment letters, each of the independent non-executive Directors will receive an annual director's fee of HK\$[●].

2. Remuneration of Directors

- (1) Remuneration and benefits in kind of nil, nil and nil were paid and granted by our Group to our Directors in respect of the years ended December 31, 2015, 2016 and 2017.
- (2) Under the arrangements currently in force, our Directors will be entitled to receive remuneration and benefits in kind which, for the year ending December 31, 2018, is expected to be approximately [RMB][●] million in aggregate (excluding discretionary bonus).
- (3) None of our Directors has or is proposed to have a service contract with the Company other than contracts expiring or determinable by the employer within one year without the payment of compensation (other than statutory compensation).

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3. Disclosure of interests

(a) *Interests and short positions of our Directors in the share capital of our Company and its associated corporations following completion of the [REDACTED]*

Immediately following completion of the [REDACTED] (assuming [the [REDACTED] is not exercised and] the options granted under the [REDACTED] ESOP are not exercised), the interests and/or short positions (as applicable) of our Directors and chief executives in the shares, underlying shares and debentures of our Company and its associated corporations, within the meaning of Part XV of the SFO, which will have to be notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and/or short positions (as applicable) which he/she is taken or deemed to have under such provisions of the SFO), or which will be required, pursuant to section 352 of the SFO, to be recorded in the register referred to therein, or which will be required to be notified to our Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies contained in the Listing Rules, will be as follows:

(i) *Interest in Shares of the Company*

Name of Director or chief executive	Nature of interest	Relevant entity	Number and class of securities	Approximate percentage of interest of each of class of Shares in our Company immediately after the [REDACTED] ⁽¹⁾
Lei Jun ⁽²⁾	Beneficiary of a Trust (L)	Trust	429,518,772 Class A Shares	[REDACTED]%
			228,310,638 Class B Shares	[REDACTED]%
	Interest in controlled corporation (L)	Parkway Global Holdings Limited	429,518,772 Class A Shares	[REDACTED]%
			228,310,638 Class B Shares	[REDACTED]%
	Interest in controlled corporation (L)	Sunrise Vision Holdings Limited	429,518,772 Class A Shares	[REDACTED]%
			228,310,638 Class B Shares	[REDACTED]%
	Interest in controlled corporation (L)	Smart Mobile Holdings Limited	429,518,772 Class A Shares	[REDACTED]%
			222,388,475 Class B Shares	[REDACTED]%
	Interest in controlled corporations (L)	Smart Player Limited	5,922,163 Class B Shares	[REDACTED]%
Lin Bin ⁽³⁾	Beneficial owner (L)	Company	9,123,361 Class B Shares	[REDACTED]%
	Trustee (L)	Lin Bin Trust	240,000,000 Class A Shares	[REDACTED]%
			30,000,000 Class B Shares	[REDACTED]%

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Name of Director or chief executive	Nature of interest	Relevant entity	Number and class of securities	Approximate percentage of interest of each of class of Shares in our Company immediately after the [REDACTED] ⁽¹⁾
Koh Tuck Lye ⁽⁴⁾	Interest in controlled corporation (L)	Shunwei Ventures Limited	61,047,189 Class B Shares	[REDACTED]%
	Interest in controlled corporation (L)	Gifted Jade Limited	337,700 Class B Shares	[REDACTED]%

Note

- (1) The table above is calculated on the basis that the total of [REDACTED] Shares will be in issue immediately after completion of the [REDACTED] (assuming [the [REDACTED] is not exercised and] the options granted under the [REDACTED] ESOP are not exercised) and subject to adjustments due to the Share Subdivision.
- (2) Smart Mobile Holdings Limited and Smart Player Holdings Limited are both wholly-owned by Sunrise Vision Holdings Limited which is in turn held by Parkway Global Holdings Limited. The entire interest in Parkway Global Holdings Limited is held through a trust which was established by Lei Jun (as the settlor) established for the benefit of Lei Jun and his family.
- (3) Lin Bin holds [REDACTED] Class A Shares and [REDACTED] Class B Shares (taking into account the Share Subdivision) as trustee of the Lin Bin Trust, which was established by Lin Bin (as the settlor) a trust established for the benefit of Lin Bin and his family.
- (4) Shunwei Ventures Limited is wholly-owned by Shunwei China Internet Fund, L.P., the general partner of which is Shunwei Capital Partners GP, L.P., the general partner of which is Shunwei Capital Partners GP Limited, which is owned by Gifted Ventures Limited as to 75%.
Gifted Jade Limited is wholly owned by Koh Tuck Lye.

(ii) Interest in associated corporations

Name of Director or chief executive	Nature of interest	Associated corporations	Percentage of shareholding in the associated corporation)
Lei Jun	Interest in controlled corporation (L)	Parkway Global Holdings Limited	100%
	Interest in controlled corporation (L)	Sunrise Vision Holdings Limited ⁽¹⁾	100%
	Interest in controlled corporation (L)	Smart Mobile Holdings Limited ⁽¹⁾	100%
	Interest in controlled corporation (L)	Shenzhen Pineapple Games Co., Ltd. (深圳市菠蘿遊戲有限公司)	0%
	Interest in controlled corporation (L)	Zimi International Incorporation ⁽²⁾	8.92%
Koh Tuck Lye	Interest in controlled corporation (L)	Zimi International Incorporation ⁽²⁾	20.10%
	Interest in controlled corporation (L)	SmartMi International Ltd ⁽³⁾	33.90%

Notes:

- (1) Lei Jun is the beneficial owner of the entire interests in Smart Mobile Holdings Limited, and is deemed to be interested in the [REDACTED] Class A Shares and [REDACTED] Class B Shares (taking into account the Share Subdivision) held by Smart Mobile Holdings Limited under SFO. Lei Jun is the beneficial owner of the entire interests in Smart Player Limited, and is deemed to be interested in the [REDACTED] Class B Shares (taking into account the Share Subdivision) held by Smart Player Limited under SFO.
- (2) As of the Latest Practicable Date, the Company held 20.09% of the equity interest of Zimi International Incorporation, and Zimi International Incorporation is therefore an associated corporation of the Company. Koh Tuck Lye and Lei Jun are ultimately interested in Zimi International Incorporation as to approximately 20.10% (20,098,050 series A preferred shares and 2,000,000 series B preferred shares) and approximately 8.9165% (being 9,803,900 ordinary shares), respectively.
- (3) The Company is interested in 35.71% of the equity interest in SmartMi International Ltd, and therefore SmartMi International Ltd is an associated corporation of the Company. Koh Tuck Lye is ultimately interested in SmartMi International Ltd as to approximately 33.90% (being 37,680,000 series A-1 preferred shares and 4,000,000 series A-2 preferred shares).

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(b) Interests and short positions discloseable under Divisions 2 and 3 of Part XV of the SFO

For information on the persons who will, immediately following the completion of the [REDACTED] and taking no account of any Shares which may be issued pursuant to the exercise of the options granted under the [REDACTED] ESOP, having or be deemed or taken to have beneficial interests or short position in our Shares or underlying shares which would fall to be disclosed to our Company under the provisions of 2 and 3 of Part XV of the SFO, or directly or indirectly be interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of our Group, please see the section headed “Substantial Shareholders.”

Save as set out above, as of the Latest Practicable Date, our Directors were not aware of any persons who would, immediately following the completion of the [REDACTED] and taking no account of any Shares which may be issued pursuant to the exercise of the options granted under the [REDACTED] ESOP, be interested, directly or indirectly, in 10% or more of the nominal of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of our Group or had option in respect of such capital.

4. Disclaimers

Save as disclosed in this [REDACTED]:

- (1) there are no existing or proposed service contracts (excluding contracts expiring or determinable by the employer within one year without payment of compensation (other than statutory compensation)) between the Directors and any member of the Group;
- (2) none of the Directors or the experts named in the section headed “—Other Information—Consents of Experts” below has any direct or indirect interest in the promotion of, or in any assets which have been, within the two years immediately preceding the date of this [REDACTED], acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group;
- (3) no commissions, discounts, brokerages or other special terms have been granted in connection with the issue or sale of any Shares in or debentures of the Company within the two years ended on the date of this [REDACTED];
- (4) none of the Directors is materially interested in any contract or arrangement subsisting at the date of this [REDACTED] which is significant in relation to the business of the Group taken as a whole;
- (5) taking no account of any Shares which may be taken up under the [REDACTED] and allotted and issued pursuant to the exercise of the options granted under the [REDACTED] ESOP, so far as is known to any Director or chief executive of the Company, no other person (other than a Director or chief executive of the Company) will, immediately following completion of the [REDACTED], have interests or short positions in the Shares and underlying Shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or (not being a member of the Group), be interested, directly or indirectly, in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group; and
- (6) none of the Directors or chief executive of the Company has any interests or short positions in the Shares, underlying shares or debentures of the Company or its associated

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corporations (within the meaning of Part XV of the SFO) which will have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he is taken or deemed to have under such provisions of the SFO) or which will be required, pursuant to section 352 of the SFO, to be entered into the register referred to therein, or will be required, pursuant to the Model Code for Securities Transaction by Directors of Listed Issuers, to be notified to the Company and the Stock Exchange once the Shares are listed thereon.

D. SHARE OPTION SCHEMES

1. [REDACTED] ESOP

Summary

The following is a summary of the principal terms of the [REDACTED] ESOP of the Company as approved and adopted pursuant to the written resolutions of all shareholders of the Company dated May 5, 2011, superseded on August 24, 2012 and amended from time to time. The terms of the [REDACTED] ESOP are not subject to the provisions of Chapter 17 of the Listing Rules.

We have applied to the Stock Exchange and the SFC, respectively for, (i) a waiver from strict compliance with the disclosure requirements under Rule 17.02(1)(b) of the Listing Rules and paragraph 27 of Appendix IA to the Listing Rules; and (ii) an exemption under section 342A of the Companies (Winding Up and Miscellaneous Provisions) Ordinance from strict compliance with the disclosure requirements of paragraph 10 of Part I of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance. See the paragraph headed “Waiver and Exemption in relation to the [REDACTED] ESOP” in the section headed “Waivers From Strict Compliance With the Listing Rules and the Companies (Winding Up and Miscellaneous Provisions) Ordinance” for more information.

(a) Purpose

The purpose of the [REDACTED] ESOP is to promote the success and enhance the value of the Company, by linking the personal interests of the members of the Board, employees, consultants and other individuals to those of the Shareholders and, by providing such individuals with an incentive for outstanding performance, to generate superior returns to the Shareholders. The [REDACTED] ESOP is further intended to provide flexibility to the Company in its ability to motivate, attract, and retain the services of recipients upon whose judgment, interest, and special effort the successful conduct of the Company’s operation is largely dependent.

(b) Who may join

Those eligible to participate in the [REDACTED] ESOP include employees, consultants, all members of the Board, and other individuals, as determined, authorized and approved by the Board or a committee authorized by the board (the “Committee”). The Committee may, from time to time, select from among all eligible individuals (“Participants”) to whom awards in the form of options (“Options”), restricted share awards (“Restricted Shares”) and restricted stock units (“RSU”) (collectively “Awards”), will be granted and will determine the nature and amount of each option. No individual has any right to be granted Award pursuant to the [REDACTED] ESOP.

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(c) Maximum number of Class B Shares with a par value of US\$0.000025 each

The overall limit on the number of underlying shares which may be issued pursuant to the [REDACTED] ESOP is 251,307,455 Class B Shares with a par value of US\$0.000025 each, subject to any adjustments for other dilutive issuances.

(d) Administration

The [REDACTED] ESOP is administered by the Board or the Committee who has the authority to grant or amend Awards to Participants other than any of the Committee members. Any grant or amendment of Awards to any Committee member requires an affirmative vote of a majority of the Board members who are not on the Committee. Subject to any specific designation in the [REDACTED] ESOP, the Committee has the exclusive power, authority and discretion to:

- (i) designate Participants to receive Awards;
- (ii) determine the type or types of Awards to be granted to each Participant;
- (iii) determine the number of Awards to be granted and the number of underlying shares to which an option will relate;
- (iv) determine the terms and conditions of any Award granted pursuant to the [REDACTED] ESOP, including, but not limited to, the exercise price, grant price, or purchase price, any restrictions or limitations on the Award, any schedule for lapse of forfeiture restrictions or restrictions on the exercisability of an option, and accelerations or waivers thereof, any provisions related to non-competition and recapture of gain on an option, based in each case on such considerations as the Committee in its sole discretion determines;
- (v) determine whether, to what extent, and pursuant to what circumstances an Award may be settled in, or the exercise price of an Award may be paid in, cash, Class B Shares, or other property, or an Award may be canceled, forfeited, or surrendered;
- (vi) prescribe the form of each Award Agreement (as defined below), which need not be identical for each Participant;
- (vii) decide all other matters that must be determined in connection with an Award;
- (viii) establish, adopt, or revise any rules and regulations as it may deem necessary or advisable to administer the [REDACTED] ESOP;
- (ix) interpret the terms of, and any matter arising pursuant to, the [REDACTED] ESOP or any Award Agreement;
- (x) make all other decisions and determinations that may be required pursuant to the [REDACTED] ESOP or as the Committee deems necessary or advisable to administer the [REDACTED] ESOP.

(e) Grant of Awards

The Committee is authorized to grant Awards to Participants in accordance with the terms of the [REDACTED] ESOP. Awards granted will be evidenced by an agreement (“**Award Agreement**”) between the Company and the Participant. The Award Agreement includes additional provisions specified by the Committee. The Committee can determine the terms and conditions of the Award, including the grant or purchase price of Awards.

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(f) Term of the [REDACTED] ESOP

The [REDACTED] ESOP commenced on August 24, 2012 (the “Effective Date”) and will expire on the tenth anniversary of the Effective Date. Upon expiry of the [REDACTED] ESOP, any Award that is outstanding shall remain in force according to the terms of the [REDACTED] ESOP and the applicable Award Agreement.

(g) Options

(i) Exercise of option

The option may not be exercised until vested. The Committee shall determine the time or times at which an option may be exercised in whole or in part, including exercise prior to vesting; provided that the term of any option granted under the [REDACTED] ESOP shall not exceed ten years, subject to a shareholder approval of extension of the exercise period for an option beyond ten years from the date of the grant. The Committee shall also determine any conditions, if any, that must be satisfied before all or part of an option may be exercised.

Once vested, the vested portion of the option may be exercised in whole or in any part, at any time, subject to the terms of the [REDACTED] ESOP and the Award Agreement.

(ii) Exercise price

The exercise price per share subject to an Option shall be determined by the Committee and set forth in the Award Agreement and may be a fixed or variable price related to the fair market value of the Shares.

The exercise price per Share subject to an Option may be amended or adjusted in the absolute discretion of the Committee, the determination of which shall be final, binding and conclusive. For the avoidance of doubt, to the extent not prohibited by applicable laws, rules and regulations, a downward adjustment of the exercise prices of Options mentioned in the preceding sentence shall be effective without the approval of the Company’s shareholders or the approval of the affected Participants.

(iii) Transfer restrictions

Unless approved by the Committee, the Participant shall not transfer any shares issued upon the exercise of any Options, or any interest therein, to any person or entity that is a competitor of the Company, as determined by the Company in its sole discretion.

The Participant shall give written notice to the Company setting forth such desire to transfer and at least the name and address of the proposed transferee. Upon receipt of the notice, the Company shall (i) have an assignable option to purchase any or all of such Shares, or (ii) approve or disapprove such transfer.

(iv) Effect of termination of employment or service for cause

Unless otherwise provided in the Award Agreement, if a Participant’s employment by or service to the Service Recipient is terminated by the Service Recipient for cause, the Participant’s Options will terminate and be forfeited for no consideration upon such termination, whether or not the Option is then vested and/or exercisable, except as otherwise determined by the Committee in its sole discretion. The Shares subject to the terminated portion of the Option shall revert to the Plan.

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(v) Rights on death or disability

Unless otherwise provided in the Award Agreement, if a Participant's employment by or service to the Service Recipient terminates as a result of the Participant's death or disability, (i) the Participant (or the legal representatives or beneficiary, in the case of disability or death, respectively), will be entitled to exercise the option in whole or in part within a period of 12 months following the date of the Participant's termination of employment to the extent that such options were vested and exercisable on that date, (ii) options that are not vested and exercisable on that date shall terminate upon the Participant's termination of employment or service on account of death or disability, and (iii) options that are exercisable for the 12-month period following the Participant's termination of employment and not exercised shall terminate at the close of business on the last day of the 12-month period.

(vi) Rights on termination of employment of service otherwise than for cause or as a result of death of disability

Unless otherwise provided in the Award Agreement, if a Participant's employment by or service to the Service Recipient terminates for any reason or for no reason at all, other than a termination for cause or death or disability mentioned above, the Participant will have until the date that is 90 days after the Participant's termination, or within such other period of time as is determined by the Committee in its sole discretion (but no later than the expiration of the term of such Option as set forth in the Award Agreement) subject to the satisfaction of any condition the Committee seems fit, to exercise his or her Options (or portion thereof) to the extent that such Options were vested and exercisable on the date of the Participant's termination of Employment or service. If the Participant fails to exercise his or her Option within the said time period, the Option will terminate, and the underlying shares of the Option will revert to the Plan.

The Options, to the extent not vested and exercisable on the date of the Participant's termination of Employment or service, shall terminate and be forfeited upon the Participant's termination of Employment or service. The Shares subject to the terminated portion of the Option shall revert to the [REDACTED] ESOP.

(h) Restricted Shares

(i) Issuance and restrictions

Restricted Shares shall be subject to such restrictions on transferability and other restrictions as the Committee may impose (including, without limitation, limitations on the right to vote Restricted Shares, to transfer the Restricted Shares, or the right to receive dividends on the Restricted Share). These restrictions may lapse separately or in combination at such times, pursuant to such circumstances, in such installments, or otherwise, as the Committee determines at the time of the grant of the Award or thereafter.

Unless the Committee determines otherwise, Restricted Shares shall be held by the Company as escrow agent until the restrictions on such Restricted Shares have lapsed.

(ii) Forfeiture and repurchase

Except as otherwise determined by the Committee at the time of the grant of the Award or thereafter, upon termination of employment or service during the applicable restriction period,

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Restricted Shares that are at that time subject to restrictions shall be forfeited or repurchased in accordance with the Award Agreement; provided, however, the Committee may (a) provide in any Award Agreement that restrictions or forfeiture and repurchase conditions relating to Restricted Shares will be waived in whole or in part in the event of terminations resulting from specified causes, and (b) in other cases waive in whole or in part restrictions or forfeiture and repurchase conditions relating to Restricted Shares.

(iii) Removal of restrictions

Except as otherwise provided in the [REDACTED] ESOP, Restricted Shares granted shall be released from escrow as soon as practicable after the last day of the period of restriction. The Committee, in its discretion, may accelerate the time at which any restrictions shall lapse or be removed. After the restrictions have lapsed, the shares shall be freely transferable by the Participant, subject to applicable legal restrictions.

(i) RSUs

(i) Performance objectives and other terms

The Committee, in its discretion, may set performance objectives or other vesting criteria which, depending on the extent to which they are met, will determine the number or value of RSUs that will be paid out to the Participants.

(ii) Form and timing of payment of RSUs

At the time of grant, the Committee shall specify the date or dates on which the RSUs shall become fully vested and nonforfeitable. Upon vesting, the Committee, in its sole discretion, may pay Restricted Stock Units in the form of cash, in Shares or in a combination thereof.

(iii) Forfeiture and repurchase

Except as otherwise determined by the Committee at the time of the grant of the Award or thereafter, upon termination of employment or service during the applicable restriction period, RSUs that are at that time unvested shall be forfeited or repurchased in accordance with the Award Agreement; provided, however, the Committee may (i) provide in any Award Agreement that restrictions or forfeiture and repurchase conditions relating to RSUs will be waived in whole or in part in the event of terminations resulting from specified causes, and (ii) in other cases waive in whole or in part restrictions or forfeiture and repurchase conditions relating to RSUs.

(j) Limits on Transfer

Unless otherwise provided in the [REDACTED] ESOP, by applicable law and by the Award Agreement, as the same may be amended, and subject to certain limited exceptions, all Awards are non-transferable and will not be subject in any manner to sale, transfer, anticipation, alienation, assignment, pledge, encumbrance or charge; Awards will be exercised only by the Participant; and amounts payable or shares issuable pursuant to an Award will be delivered only to (or for the account of), and, in the case of Class B Shares, registered in the name of, the Participant.

(k) Adjustments

In the event of any share dividend, share split, combination or exchange of Class B Shares, amalgamation, arrangement or consolidation, spin-off, recapitalization or other distribution (other than

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normal cash dividends) of Company assets to its shareholders, or any other change affecting the shares or the price of a share, the Committee shall make such proportionate adjustments, if any, as the Committee in its discretion may deem appropriate to reflect such change with respect to (i) the aggregate number and type of shares that may be issued under the [REDACTED] ESOP, (ii) the terms and conditions of any outstanding Awards (including, without limitation, any applicable performance targets or criteria with respect thereto), and (iii) the grant or exercise price per share for any outstanding Awards under the [REDACTED] ESOP.

(l) Amendment, modification and termination

With the approval of the Board, the Board and/or the Committee may, at any time or from time to time, terminate, amend or modify the [REDACTED] ESOP.

Except with respect to amendments made pursuant to the above, no termination, amendment, or modification of the [REDACTED] ESOP shall adversely affect in any material way any Awards previously granted pursuant to the [REDACTED] ESOP until mutually agreed by the Company and the Participant.

Outstanding options granted

The proposal to grant the options under the [REDACTED] ESOP to the grantees as set out below has been approved by the Board. The overall limit on the number of underlying Class B Shares pursuant to the [REDACTED] ESOP is 251,307,455 Class B Shares (before Share Subdivision). The aggregate number of underlying Shares pursuant to the outstanding options and restricted share units (“RSUs”) granted under the [REDACTED] ESOP is [REDACTED] Shares, representing approximately [REDACTED]% of the issued Class B Shares immediately following the completion of the [REDACTED] and approximately [REDACTED]% of the total issued Shares immediately following the completion of the [REDACTED], on a one share, one vote basis (assuming [the [REDACTED] is not exercised and] the options granted under the [REDACTED] ESOP are not exercised). As at the Latest Practicable Date, we had conditionally granted options to over 5,500 participants under the [REDACTED] ESOP. All the options and RSUs under the [REDACTED] ESOP were granted between April 1, 2010 and May 1, 2018 (both days inclusive) and the Company will not grant further options and RSUs under the [REDACTED] ESOP after the [REDACTED]. The exercise price of all the options and RSUs granted under the [REDACTED] ESOP is between US\$nil to US\$3.44.

As of the Latest Practicable Date, no options had been granted to Directors.

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The table below shows the details of options granted to members of the directors and the senior management under the [REDACTED] ESOP which are outstanding.

	Name	Address	Position	Exercise Prices (US\$)	Number of Class B ordinary shares of par value of US\$0.000025 each underlying outstanding options	Dates of grant	Vesting period	Approximate percentage of issued Shares immediately after completion of the [REDACTED]
	Options							
1.	Chew Shou Zi	Flat B, 31/F, Block 6, Century Gateway, Tuen Mun, New Territories, Hong Kong	Senior Vice President, Chief Financial Officer	0-1.0225	5,000,000	August 1, 2015, January 1, 2018	5-10 years	[REDACTED]%
2.	Hong Feng	Room 1104, No. 7, Lane 1910 Xinzha Road Jing'an District Shanghai	Senior Vice President, Internet Services	1.0225	1,000,000	January 1, 2018	5 years	[REDACTED]%
3.	Manu Kumar Jain	B-20, RD Apartments, Plot No. 20, Sector 6, Dwarka, New Delhi, India	Vice President, General Manager of India	1.0225-3.44	2,300,000	June 1, 2014, May 1, 2015, April 1, 2017, January 1, 2018, February 1, 2018	1-10 years	[REDACTED]%
4.	Liu De	Room 608, Building No. 8 Dongnei Street Dongcheng District Beijing	Senior Vice President, Ecosystem	1.0225	1,000,000	January 1, 2018	5 years	[REDACTED]%
5.	Qi Yan	Room 1102, Gate No. 4 Building No.1, Courtyard A82 Xueyuan South Road Haidian District Beijing	Senior Vice President, Internal Operations and Public Affairs	0-1.0225	1,900,000	February 1, 2013, December 1, 2013, January 1, 2018	4-5 years	[REDACTED]%
6.	Shang Jin	Room 210, Building No.138 Dayoubeli Haidian District Beijing	Vice President, Interactive Entertainment	0-1.0225	2,000,000	October 1, 2014, January 1, 2018	5-10 years	[REDACTED]%

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	Name	Address	Position	Exercise Prices (US\$)	Number of Class B ordinary shares of par value of US\$0.000025 each underlying outstanding options	Dates of grant	Vesting period	Approximate percentage of issued Shares immediately after completion of the [REDACTED]
7.	Wang Chuan	Room 323, 3/F, Building No. 520 No. 70 Yongding Road Haidian District Beijing	Senior Vice President, TV Business	0-1.0225	5,000,000	December 1, 2014, December 1, 2018	5 years	[REDACTED]%
8.	Wang Lingming	Room 303, Block One Building No. 2, Oak Bay II Qinghe Street Haidian District Beijing	Vice President, Sales and Services	1.0225	920,000	April 1, 2017, November 1, 2017, January 1, 2018	5-10 years	[REDACTED]%
9.	Wang Xiang	Room 1252, Building No. 38 Xiaonanzhuang Haidian District Beijing	Senior Vice President, Global Business	0-1.0225	2,000,000	August 1, 2015, February 1, 2017, January 1, 2018	5-10 years	[REDACTED]%
10.	Zhang Feng	No. 96, Lane 155 Huake Road Qingpu District Shanghai	Vice President, Supply Chain	1.0225	1,000,000	November 1, 2017	5 years	[REDACTED]%

Notes

- (1) Calculated on a one share one vote basis, [assuming that the [REDACTED] is not exercised and] assuming the options granted under the [REDACTED] ESOP are not exercised.

The table below shows the details of options granted to individuals, other than members of the directors and senior management, under the [REDACTED] ESOP which are outstanding.

Total number of grantees	Exercise Prices (US\$)	Number of Class B ordinary shares of par value of US\$0.000025 each underlying outstanding options	Dates of grant	Vesting period	Approximate percentage of issued Shares immediately after completion of the [REDACTED]
Over 5,500	0-3.44	222,380,097	April 1, 2010- May 1, 2018	1-10 years	[REDACTED]%

Notes

- (1) Calculated on a one share one vote basis, [assuming that the [REDACTED] is not exercised and] assuming the options granted under the [REDACTED] ESOP are not exercised subject to adjustments as a result of the Share Subdivision.

2. [REDACTED] Share Option Scheme

The following is a summary of the principal terms of the share option scheme conditionally adopted by the resolutions in writing of the shareholders of the Company passed on [●] 2018 (the “[REDACTED] Share Option Scheme”). The terms of the [REDACTED] Share Option Scheme will be governed by Chapter 17 of the Listing Rules.

(a) Purpose of the [REDACTED] Share Option Scheme

The purpose of the [REDACTED] Share Option Scheme is to provide selected participants with the opportunity to acquire proprietary interests in the Company and to encourage selected participants to work towards enhancing the value of our Company and its Shares for the benefit of our Company and shareholders of the Company as a whole. The [REDACTED] Share Option Scheme will provide our Company with a flexible means of retaining, incentivising, rewarding, remunerating, compensating and/or providing benefits to selected participants.

(b) Selected participants to the [REDACTED] Share Option Scheme

Any individual, being an employee, director, officer, consultant, advisor, distributor, contractor, customer, supplier, agent, business partner, joint venture business partner or service provider of any member of the Group or any affiliate who the Board or its delegate(s) considers, in their sole discretion, to have contributed or will contribute to our Group is entitled to be offered and granted options. However, no individual who is resident in a place where the grant, acceptance or exercise of options pursuant to the [REDACTED] Share Option Scheme is not permitted under the laws and regulations of such place or where, in the view of the Board or its delegate(s), compliance with applicable laws and regulations in such place makes it necessary or expedient to exclude such individual, is eligible to be offered or granted options.

(c) Maximum number of Shares

The total number of Shares which may be issued upon exercise of all options to be granted under the [REDACTED] Share Option Scheme and any other schemes is [REDACTED], being no more than 10% of the Shares in issue on the date the Shares commence trading on the Stock Exchange (the “**Option Scheme Mandate Limit**”) (excluding any Shares which may be issued pursuant to the exercise of the [REDACTED] and the options granted under the Share Option Schemes[and grants under the Share Award Scheme]). Options which have lapsed in accordance with the terms of the rules of the [REDACTED] Share Option Scheme (or any other share option schemes of the Company) shall not be counted for the purpose of calculating the Option Scheme Mandate Limit.

The overall limit on the number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the [REDACTED] Share Option Scheme and any other share option schemes of the Company at any time (and to which the provisions of Chapter 17 of the Listing Rules are applicable) must not exceed 30% of the Shares in issue from time to time (the “**Option Scheme Limit**”). No options may be granted under any schemes of our Company (or its subsidiaries) if this will result in the Option Scheme Limit being exceeded.

The Option Scheme Mandate Limit may be refreshed at any time by obtaining prior approval of the shareholders of the Company in general meeting and/or such other requirements prescribed under the Listing Rules from time to time. However, the refreshed Option Scheme Mandate Limit cannot

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exceed 10% of the Shares in issue as at the date of such approval. Options previously granted under the [REDACTED] Share Option Scheme and any other share option schemes of our Company (and to which provisions of Chapter 17 of the Listing Rules are applicable) (including those outstanding, canceled or lapsed in accordance with its terms or exercised), shall not be counted for the purpose of calculating the refreshed Option Scheme Mandate Limit.

Our Company may also grant options in excess of the Option Scheme Mandate Limit, provided such grant is to specifically identified selected participant and is first approved by shareholders of the Company in general meeting.

(d) Maximum entitlement of a grantee

Unless approved by shareholders of the Company, the total number of Shares issued and to be issued upon exercise of the options granted and to be granted under the [REDACTED] Share Option Scheme and any other share option scheme(s) of the Company to each selected participant (including both exercised and outstanding options) in any 12-month period shall not exceed 1% of the total number of Shares in issue (the “**Individual Limit**”). Any further grant of options to a selected participant which would result in the aggregate number of Shares issued and to be issued upon exercise of all options granted and to be granted to such selected participant (including exercised, canceled and outstanding options) in the 12 month period up to and including the date of such further grant exceeding the Individual Limit shall be subject to separate approval of shareholders of the Company (with such selected participant and his associates abstaining from voting).

(e) Performance target

The [REDACTED] Share Option Scheme does not set out any performance targets that must be achieved before the options may be exercised. However, the Board or its delegate(s) may at their sole discretion specify, as part of the terms and conditions of any option, such performance conditions that must be satisfied before the option can be exercised.

(f) Subscription price

The amount payable for each Share to be subscribed for under an option (“**Subscription Price**”) in the event of the option being exercised shall be determined by the Board but shall be not less than the greater of:

- (i) the closing price of a Share as stated in the daily quotations sheet issued by the Stock Exchange on the date of grant;
- (ii) the average closing price of the Shares as stated in the daily quotations sheets issued by the Stock Exchange for the five business days immediately preceding the date of grant; and
- (iii) the nominal value of a Share on the date of grant.

(g) Rights are personal to grantee

An option is personal to the grantee and shall not be transferable or assignable and no grantee shall in any way sell, transfer, charge, mortgage, encumber or otherwise dispose of or create any interest in favor of or enter into any agreement with any other person over or in relation to any option, except for the transmission of an option on the death of the grantee to his personal representative(s) on the terms of the [REDACTED] Share Option Scheme.

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(h) Options granted to directors or substantial shareholders of the Company

Each grant of options to any director, chief executive or substantial shareholder of our Company (or any of their respective associates) must first be approved by the independent non-executive Directors (excluding any independent non-executive Director who is a proposed recipient of the grant of options. Where any grant of options to a substantial shareholder or an independent non-executive Director (or any of their respective associates) would result in the number of Shares issued and to be issued upon exercise of all options already granted and to be granted (including options exercised, canceled and outstanding) to such person in the 12-month period up to and including the date of such grant:

- (i) representing in aggregate over 0.1% (or such other higher percentage as may from time to time be specified by the Stock Exchange) of the Shares in issue; and
- (ii) having an aggregate value, based on the closing price of the Shares as stated in the daily quotations sheets issued by the Stock Exchange on the date of grant, in excess of HK\$5 million (or such other higher amount as may from time to time be specified by the Stock Exchange),

such further grant of options must also be first approved by the shareholders of the Company (voting by way of poll) in a general meeting. In obtaining the approval, our Company shall send a circular to the shareholders of the Company in accordance with and containing such information as is required under the Listing Rules. All connected persons of our Company shall abstain from voting at such general meeting, except that any connected person may vote against the relevant resolution at the general meeting provided that his intention to do so has been stated in the circular to be sent to the shareholders of the Company in connection therewith.

(i) Grant offer letter and notification of grant of options

An offer shall be made to selected participants by a letter in duplicate which specifies the terms on which the option is to be granted. Such terms may include any minimum period(s) for which an option must be held and/or any minimum performance target(s) that must be achieved, before the option can be exercised in whole or in part, and may include at the discretion of the Board or its delegate(s) such other terms either on a case basis or generally.

An offer shall be deemed to have been accepted and the option to which the offer relates shall be deemed to have been granted and to have taken effect when the duplicate of the offer letter comprising acceptance of the offer duly signed by the grantee with the number of Shares in respect of which the offer is accepted clearly stated therein, together with a remittance in favor of our Company of HK\$1.00 by way of consideration for the grant thereof, which must be received by the Company within 20 business days from the date on which the offer letter is delivered to the grantee.

Any offer may be accepted in respect of less than the number of Shares for which it is offered provided that it is accepted in respect of a board lot for dealing in Shares or a multiple thereof. To the extent that the offer is not accepted within 20 business days from the date on which the letter containing the offer is delivered to that selected participant, it shall be deemed to have been irrevocably declined.

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(j) Restriction of grant of options

No offer shall be made and no option shall be granted to any selected participant in circumstances prohibited by the Listing Rules or at a time when the selected participant would or might be prohibited from dealing in the Shares by the Listing Rules or by any applicable rules, regulations or law. No offer shall be made and no option shall be granted to any selected participant where such person is in possession of any unpublished inside information in relation to our Company until such inside information has been published in an announcement in accordance with the Listing Rules. Furthermore, no offer shall be made and no option shall be granted:

- (i) during the period of 60 days immediately preceding the publication date of the annual results or, if shorter, the period from the end of the relevant financial year up to the publication date of the results; and
- (ii) during the period of 30 days immediately preceding the publication date of the half-year results or, if shorter, the period from the end of the relevant half-year period up to the publication date of the results.

Such period will also cover any period of delay in the publication of any results announcement.

(k) Time of exercise of an option

An option may, subject to the terms and conditions upon which such option is granted, be exercised in whole or in part by the grantee giving notice in writing to the Company in such form as the Board may from time to time determine stating that the option is thereby exercised and the number of Shares in respect of which it is exercised.

(l) Cancellation of options

Any breaches of the rules of the [REDACTED] Share Option Scheme by a grantee may result in the options granted to such grantee being canceled by the Company. Any options granted but not exercised may be canceled if the grantee so agrees. Issuance of new options to the same grantee may only be made if there are unissued options available under the [REDACTED] Share Option Scheme (excluding the canceled options) and in compliance with the terms of the [REDACTED] Share Option Scheme.

(m) Lapse of option

An option shall lapse automatically (to the extent not already exercised) on the earliest of:

- (i) the expiry of the period within which an option may be exercised, which is to be determined and notified by the Board to each grantee at the time of making an offer, and shall not expire later than ten years from the date of grant (the “**Option Period**”);
- (ii) the expiry of any of the periods for exercising the option as referred to in paragraphs (p), (q) and (r) below; and
- (iii) the date on which the grantee commits a breach of the rules of the [REDACTED] Share Option Scheme.

(n) Voting and dividend rights

No dividends shall be payable and no voting rights shall be exercisable in relation to any options or Shares that are the subject of options that have not been exercised.

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(o) Effects of alterations in the capital structure of the company

In the event of an alteration in the capital structure of the Company whilst any option remains exercisable by way of capitalization of profits or reserves, rights issue, subdivision or consolidation of shares, or reduction of the share capital of the Company in accordance with legal requirements and requirements of the Stock Exchange (other than any alteration in the capital structure of the Company as a result of an issue of Shares as consideration in a transaction to which the Company is a party), such corresponding alterations (if any) shall be made to:

- (i) the number or nominal amount of Shares comprised in each option so far as unexercised; and/or
- (ii) the [REDACTED]; and/or
- (iii) the method of exercise of the option,

or any combination thereof, as the auditors or a financial advisor engaged by our Company for such purpose shall, at the request of the Company, certify in writing, either generally or as regards any particular grantee, to be in their opinion fair and reasonable, provided always that any such adjustments should give each grantee the same proportion of the equity capital of our Company as that to which that grantee was previously entitled prior to such adjustments, and no adjustments shall be made which will enable a Share to be issued at less than its nominal value. The capacity of the auditors or financial advisor (as the case may be) is that of experts and not of arbitrators and their certification shall, in the absence of manifest error, be final and binding on our Company and the grantees. The costs of the auditors or financial advisor (as the case may be) shall be borne by our Company.

(p) Retirement, death or permanent physical or mental disability of an selected participant

If a grantee ceases to be selected participant by reason of (i) death of the grantee, (ii) termination of the grantee’s employment or contractual engagement with the Group or its affiliate by reason of his/her permanent physical or mental disablement, (iii) retirement of the grantee, the option may be exercised within the Option Period, or such other period as the Board or its delegate(s) may decide in their sole discretion.

In the case of death of a grantee, the option may be exercised within that period by the personal representatives of the grantee. In the case where a grantee no longer has any legal capacity to exercise the option, the option may be exercised within that period by the persons charged with the duty of representing the grantee under the relevant laws in Hong Kong. If the option is not exercised within the time mentioned above, the option shall lapse.

If a grantee, being an employee whose employment is terminated by the Group or its affiliate (as applicable) by reason of the employer terminating the contract of employment without notice or payment in lieu of notice, or the grantee having been convicted of any criminal offense involving his integrity or honesty, the option shall immediately lapse.

If a grantee is declared bankrupt or becomes insolvent or makes any arrangements or composition with his creditors generally, the option shall immediately lapse.

If a grantee being an employee ceases to be selected participant due to termination of his or her employment or contractual engagement with the Group by reason of redundancy, the option may be exercised within three months of such cessation or within the Option Period, whichever is the shorter, or such other period as the Board or its delegate(s) may decide in their sole discretion.

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If a grantee ceases to be selected participant other than in any of the circumstances described above, unless otherwise provided in the option agreement, a grantee may exercise his or her option within three months of such cessation or within the Option Period, whichever is the shorter, or such other period as the Board or its delegate(s) may decide in their sole discretion.

(q) Rights on takeover and schemes of compromise or arrangement

If a general offer by way of takeover is made to all the holders of Shares (or all such holders other than the offeror and/or any person controlled by the offeror and/or any person acting in association or concert with the offeror), and the offer becomes or is declared unconditional in all respects, the grantee shall be entitled to exercise the option (to the extent not already exercised) at any time within one month (or such other period as the Board or its delegate(s) may decide in their sole discretion) after the date on which the offer becomes or is declared unconditional. If the option is not exercised within the time specified, the option shall lapse.

If a compromise or arrangement between the Company and its members or creditors is proposed, our Company shall give notice to the grantee on the same date as it despatches the notice to each member or creditor of the Company summoning the meeting to consider such a compromise or arrangement, and thereupon the grantee (or his personal representatives) may until the expiry of the period commencing with such date and ending with earlier of the date two calendar months thereafter or the date on which such compromise or arrangement is sanctioned by the court exercise any of his options (to the extent not already exercised) whether in full or in part, but the exercise of an option as aforesaid shall be conditional upon such compromise or arrangement being sanctioned by the court and becoming effective, and upon such compromise or arrangement becoming effective, all options shall lapse except insofar as previously exercised under the [REDACTED] Share Option Scheme. Our Company may require the grantee to transfer or otherwise deal with the Shares issued as a result of the exercise of options in these circumstances so as to place the grantee in the same position, as nearly as possible, as would have been the case had such Shares been subject to such compromise or arrangement. If the option is not exercised within the time specified, the option shall lapse.

(r) Rights on a voluntary winding up

In the event a notice is given by our Company to its members to convene a general meeting for the purposes of considering, and if thought fit, approving a resolution to voluntarily wind-up our Company, our Company shall on the same date as or soon after it dispatches such notice to each member of our Company give notice thereof to all grantees (together with a notice of the existence of the provisions of this sub-paragraph) and thereupon, each grantee (or his personal representatives) shall be entitled to exercise all or any of his options (to the extent not already exercised) at any time not later than two business days prior to the proposed general meeting of our Company by giving notice in writing to our Company, accompanied by a remittance for the subscription price for the Shares in respect of which the notice is given whereupon our Company shall as soon as possible and, in any event, no later than the business day immediately prior to the date of the proposed general meeting referred to above, allot the relevant Shares to the grantee credited as fully paid. If the option is not exercised within the time specified, the option shall lapse.

(s) Ranking of shares

The Shares to be allotted and issued upon the exercise of an option shall be identical to the then existing issued shares of the Company and subject to all the provisions of the memorandum and

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articles of association of the Company for the time being in force and will rank *pari passu* with the other fully paid Shares in issue on the date the name of the grantee is registered on the register of members of the Company or if that date falls on a day when the register of members of the Company is closed, the first day of the re-opening of the register of members, save that the grantee shall not have any voting rights, or rights to participate in any dividends or distributions (including those arising on a liquidation of the Company) declared or recommended or resolved to be paid to the shareholders of the Company on the register on a date prior to such registration.

(t) *Duration*

The [REDACTED] Share Option Scheme shall be valid and effective for the period of ten years commencing on the [REDACTED] (after which, no further options shall be offered or granted under the [REDACTED] Share Option Scheme), but in all other respects the provisions of the [REDACTED] Share Option Scheme shall remain in full force and effect to the extent necessary to give effect to the exercise of any options granted prior thereto or otherwise as may be required in accordance with the provisions of the rules of the [REDACTED] Share Option Scheme.

(u) *Alteration of the [REDACTED] Share Option Scheme*

The Board may subject to the rules of the [REDACTED] Share Option Scheme amend any of the provisions of the [REDACTED] Share Option Scheme (including without limitation amendments in order to comply with changes in legal or regulatory requirements and amendments in order to waive any restrictions, imposed by the provisions of the [REDACTED] Share Option Scheme, which are not found in Chapter 17 of the Listing Rules) at any time (but not so as to affect adversely any rights which have accrued to any grantee at that date).

Those specific provisions of the [REDACTED] Share Option Scheme which relate to the matters set out in Rule 17.03 of the Listing Rules cannot be altered to the advantage of selected participants, and no changes to the authority of the administrator of the [REDACTED] Share Option Scheme in relation to any alteration of the terms of the [REDACTED] Share Option Scheme shall be made, without the prior approval of shareholders of the Company in general meeting. Any alterations to the terms of the [REDACTED] Share Option Scheme which are of a material nature, or any change to the terms and conditions of options granted, must also, to be effective, be approved by the shareholders of the Company in general meeting and the Stock Exchange, except where the alterations take effect automatically under the existing terms of the [REDACTED] Share Option Scheme. The options and the [REDACTED] Share Option Scheme so altered must comply with Chapter 17 of the Listing Rules. Any change to the authority of the Directors or scheme administrators in relation to any alteration to the terms of the [REDACTED] Share Option Scheme must be approved by shareholders of the Company in general meeting.

Notwithstanding any provisions to the contrary in the [REDACTED] Share Option Scheme, if on the relevant date of exercise there are restrictions or conditions imposed by the relevant laws and regulations to which the grantee is subject and the grantee has not obtained approval, exemption or waiver from the relevant regulatory authorities for the subscription of and dealing in the Shares, the grantee may sell the options to such transferee, subject to the approval by the Board, which shall not unreasonably withhold or delay such approval. In the event that the options are transferred to a connected person of our Company, no Shares shall be allotted and issued upon the exercise of the options by a connected person of our Company unless the Board is satisfied that the allotment and

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issue of Shares will not trigger any breach of the Listing Rules, the Articles of Association, the Companies Law or the Takeovers Code.

(v) Termination

The shareholders of the Company by ordinary resolution in general meeting or the Board may at any time resolve to terminate the operation of the [REDACTED] Share Option Scheme prior to the expiry of the [REDACTED] Share Option Scheme and in such event no further options will be offered or granted but the provisions of the [REDACTED] Share Option Scheme shall remain in full force to the extent necessary to give effect to the exercise of any options granted prior thereto or otherwise as may be required in accordance with the provisions of the [REDACTED] Share Option Scheme. Options complying with the provisions of Chapter 17 of the Listing Rules which are granted during the life of the [REDACTED] Share Option Scheme and remain unexercised and unexpired immediately prior to the termination of the operation of the [REDACTED] Share Option Scheme shall continue to be valid and exercisable in accordance with their terms of issue after the termination of the [REDACTED] Share Option Scheme.

Details of the options granted, including options exercised or outstanding, under the [REDACTED] Share Option Scheme shall be disclosed in the circular to the shareholders of the Company seeking approval of the new scheme established after the termination of the [REDACTED] Share Option Scheme.

3. The XMF Share Option Scheme I

The following is a summary of the principal terms of the XMF Share Option Scheme I effective from [●] 2018. This scheme is not subject to Chapter 17 of the Listing Rules as no options will be granted under this scheme after the [REDACTED].

(a) Definitions

Unless otherwise defined below, terms used in this sub-section shall have the same meaning as those defined in the section headed “Definitions”:

“Xiaomi Finance Group”	Xiaomi Finance and its subsidiaries and consolidated affiliated entities
“XMF Board”	the board of directors of Xiaomi Finance or a committee thereof duly appointed for the purpose of administering the XMF Share Option Scheme I
“XMF Shares”	ordinary share(s) in the share capital of Xiaomi Finance, or if there has been a subsequent sub-division, reduction, consolidation, reclassification or reconstruction of the share capital of Xiaomi Finance, the shares in the ordinary share capital of Xiaomi Finance resulting from such sub-division, reduction, consolidation, reclassification or reconstruction;

(b) Purpose

The purpose of the XMF Share Option Scheme I is to provide selected participants with the opportunity to acquire proprietary interests in Xiaomi Finance and to encourage the selected

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participants to work towards enhancing the value of Xiaomi Finance for the benefit of its shareholders. The XMF Share Option Scheme I will provide Xiaomi Finance with a flexible means of retaining, incentivising, rewarding, remunerating, compensating and/or providing benefits to the selected participants.

(c) Who may join

Any directors and employees of any member of Xiaomi Finance (including nominees and/or trustees of any employee benefit trusts established for them) or any associates who the XMF Board considers to have contributed or will contribute to the Xiaomi Finance Group, may, at the sole discretion of XMF Board (or a duly authorized committee), be granted options to subscribe for the XMF Shares.

The eligibility of persons to the grant of any option shall be determined by the XMF Board (or a duly authorized committee), from time to time on the basis of their opinion as to the participant's contribution to the development and growth of the Xiaomi Finance Group.

(d) Maximum number of Shares

The overall limit on the number of XMF Shares that may be issued upon exercise of all outstanding options granted and yet to be exercised under the XMF Share Option Scheme I at any time shall not exceed [42,070,000] XMF Shares subject to any adjustments for share subdivisions or other dilutive issuances.

(e) Performance targets

Unless the XMF Board (or a duly authorized committee) otherwise determines and states in the offer of the grant of options to a grantee, a grantee is not required to achieve any performance targets before any options granted under the XMF Share Option Scheme I can be exercised.

(f) Subscription price

The subscription price per XMF Share in relation to each option shall be determined by the XMF Board and shall not be less than the per XMF Share valuation based on the most recent appraised value of Xiaomi Finance (assuming that the XMF Restructuring had been completed) prior to the adoption of the XMF Share Option Scheme I.

(g) Time of acceptance and exercise of an option

An option may be accepted by a participant within [30] business days from the date on which the letter containing the offer is delivered to that participant.

An option may be exercised in accordance with the terms of the XMF Share Option Scheme I at any time during a period to be determined and notified by the XMF Board to each grantee at the time of grant, which shall end not later than [20] years from the date of grant of the option.

(h) Cancellation of options granted

Any options granted but not exercised may be canceled if the relevant grantee so agrees in writing. Issuance of new options to the same grantee may only be made if there are unissued options available under the XMF Share Option Scheme I (excluding the canceled options) and in compliance with the terms of the XMF Share Option Scheme I.

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(i) Lapse of an option

An option shall lapse automatically (to the extent not already exercised) on the expiry of the option period stated in the offer of grant of the option.

(j) Scheme life

The XMF Share Option Scheme I will remain in force from [●], the date on which the XMF Share Option Scheme I was adopted, until the Latest Practicable Date, both dates inclusive. No further options will be offered or granted after the Latest Practicable Date, but the provisions of the XMF Share Option Scheme I shall remain in full force to the extent necessary to give effect to the exercise of any options granted prior thereto or otherwise as may be required in accordance with the provisions of this scheme.

(k) Rights on death

If a grantee of an option ceases to be a participant by reason of death, before exercising the option in full, the personal representative(s) of the grantee shall be entitled to exercise the option in whole or in part during the option period.

(l) Adjustments

In the event of an alteration in the capital structure of Xiaomi Finance whilst any option remains exercisable by way of capitalization of profits or reserves, rights issue, subdivision or consolidation of shares, or reduction of the share capital of Xiaomi Finance, such corresponding alterations (if any) shall be made to:

- (i) the number or nominal amount of XMF Shares comprised in each option so far as unexercised;
- (ii) the subscription price;
- (iii) the method of exercise of the option; or
- (iv) any combination thereof,

as the auditors or a financial advisor engaged by Xiaomi Finance for such purpose shall, at the request of Xiaomi Finance, certify in writing, either generally or as regards any particular grantee, to be in their opinion fair and reasonable, provided always that any such adjustments should give each grantee the same proportion of the equity capital of Xiaomi Finance (or as nearly as possible but not greater than the same proportion of the equity capital of Xiaomi Finance) as that to which that grantee was previously entitled prior to such adjustments, and no adjustments shall be made that will enable a XMF Share to be issued at less than its nominal value. The capacity of the auditors or financial advisor (as the case may be) in this paragraph is that of experts and not of arbitrators and their certification shall, in the absence of manifest error, be final and binding on Xiaomi Finance and the grantees. The costs of the auditors or financial advisor (as the case may be) shall be borne by Xiaomi Finance.

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Outstanding options granted

The table below sets forth the details of the option granted under the XMF Share Option Scheme I:

Name of grantee	Address	Subscription price per XMF Share	Number of XMF Shares represented by the option granted	Date of grant	Option period	Approximate percentage of issued XMF Shares
Lei Jun	A-19E Huatingjiayuan 6 Beisihuan Middle Road Chaoyang District Beijing China	[●]	[42,070,000]	[●]	[20 years] from the date of grant	[42.07%] (or [16.8280%] assuming options representing the maximum number of XMF Shares under the XMF Share Option Schemes have been granted and fully exercised)

No further options under the XMF Share Option Scheme I will be granted after the [REDACTED].

4. The XMF Share Option Scheme II

The following is a summary of the principal terms of the XMF Share Option Scheme II approved by the XMF Shareholder (which was, at the relevant time, our Company) and our Shareholders to take effect upon the [REDACTED]. This scheme is subject to Chapter 17 of the [REDACTED] Rules as we expect that options will be granted under this scheme after the [REDACTED]. The XMF Share Option Scheme II is not in full compliance with the requirements under Chapter 17 of the [REDACTED] Rules. We have applied for [, and the Stock Exchange has granted], certain waivers described in the section headed “Waivers from Compliance with the [REDACTED] and Exemptions from the Companies (Winding up and Miscellaneous Provisions) Ordinance—Waivers in Relation to the XMF Share Option Scheme II.”

(a) Definitions

Unless otherwise defined below, terms used in this sub-section shall the same meaning as those defined in the section headed “Definitions.”

“Fair Market Value”

(i) with respect to the ordinary shares in the capital of Xiaomi Finance, the closing price of a share as stated in the daily quotations sheet of the principal stock market or exchange on which the shares are quoted or traded, or if the shares are not so quoted or traded, fair market value of a share as determined by the XMF Board; and (ii) with respect to any property other than the ordinary shares in the capital of Xiaomi Finance, the fair market value of such property determined by such methods or procedures as shall be established from time to time by the XMF Board

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“XMF Scheme Adoption Date”	the date on which [REDACTED] in the Shares of the Company commence on the Stock Exchange
“XMF Eligible Person”	has the meaning defined in paragraph 3 below
“Xiaomi Finance Group”	Xiaomi Finance and its subsidiaries
“XMF Board”	the board of directors of Xiaomi Finance or where applicable, a committee duly formed to administer matters in relation to the XMF Share Option Scheme II
“XMF Option Period”	has the meaning defined in paragraph 13 below
“XMF Shares”	share(s) in the share capital of Xiaomi Finance, or, if there has been a sub-division, consolidation, re-classification or re-construction of the share capital of Xiaomi Finance, shares forming part of the share capital of Xiaomi Finance as shall result from as such sub-division, consolidation, re-classification or re-construction
“XMF Subscription Price”	has the meaning defined in paragraph 7 below
“XMF Shareholder(s)”	holder(s) of the XMF Shares
“XMF Option Scheme Limit”	has the meaning defined in paragraph 4 below
“XMF Option Scheme Mandate Limit”	has the meaning defined in paragraph 4 below

(b) Purpose

Xiaomi Finance is in an early stage of development and primarily focuses on start-up business in the financial technology industry (see also “History, Reorganization and Corporate Structure—Restructuring of Our Finance Related Business”). In light of the novelty and competitiveness of the industry in which Xiaomi Finance operates in, we believe that the “employee-owned and managed” development model would be conducive to the recruitment and retention of highly sought-after talent in the financial technology industry, and in turn the long-term growth of Xiaomi Finance. It is our intention for management/employees of Xiaomi Finance to hold a significant stake in Xiaomi Finance going forward. The purpose of the XMF Share Option Scheme II is to provide XMF Eligible Persons with the opportunity to acquire proprietary interests in Xiaomi Finance and to encourage the XMF Eligible Person to work towards enhancing the value of Xiaomi Finance with an entrepreneurial mind set over the long term. The XMF Share Option Scheme II will provide a flexible means of retaining, incentivising, rewarding, remunerating, compensating and/or providing benefits to XMF Eligible Persons.

(c) XMF Eligible Persons

Any individual, being an employee, director, officer, consultant, advisor, distributor, contractor, customer, supplier, agent, business partner, joint venture business partner or service provider of any

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member of the Xiaomi Finance Group or any of the Xiaomi Finance Group’s affiliates who the XMF Board or its delegate(s) considers, in their sole discretion, to have contributed or will contribute to the Xiaomi Finance Group is entitled to be offered and granted options (“**XMF Eligible Person(s)**”).

For the purpose of the XMF Share Option Scheme II, options may be granted to any company controlled by one or more XMF Eligible Person(s) or any discretionary object of an XMF Eligible Person that is a discretionary trust.

However, no individual who is resident in a place where the grant, acceptance, vesting or exercise of options pursuant to the XMF Share Option Scheme II is not permitted under the laws and regulations of such place or where, in the view of the XMF Board or its delegate(s), compliance with applicable laws and regulations in such place makes it necessary or expedient to exclude such individual, is eligible to be offered or granted options.

(d) Maximum number of XMF Shares

The total number of XMF Shares that may be issued upon exercise of all options to be granted under the XMF Share Option Scheme II and any other share option schemes of Xiaomi Finance is [150,000,000], being no more than [150]% of the XMF Shares in issue on the XMF Scheme Adoption Date (or 60% of the XMF Shares assuming options representing the maximum number of XMF Shares under the XMF Share Option Schemes have been granted and fully exercised) (the “**XMF Option Scheme Mandate Limit**”). Options that have lapsed in accordance with the terms of the rules of the XMF Share Option Scheme II (or any other share option schemes of Xiaomi Finance) shall not be counted for the purpose of calculating the XMF Option Scheme Mandate Limit.

The overall limit on the number of XMF Shares that may be issued upon exercise of all outstanding options granted and yet to be exercised under the XMF Share Option Scheme II and any other share option schemes of Xiaomi Finance at any time must not exceed [150]% of the XMF Shares in issue from time to time (or 60% of the XMF Shares assuming options representing the maximum number of XMF Shares under the XMF Share Option Schemes have been granted and fully exercised) (the “**XMF Option Scheme Limit**”). No options may be granted under any schemes of Xiaomi Finance if this will result in the XMF Option Scheme Limit being exceeded.

The XMF Option Scheme Mandate Limit may be refreshed at any time subject to prior approval of the XMF Shareholders in general meeting and, for so long as Xiaomi Finance remains our subsidiary, prior approval of our Shareholders in general meeting and/or such other requirements prescribed under the Listing Rules or by the Stock Exchange from time to time. However, the XMF Option Scheme Mandate Limit as refreshed cannot exceed [150]% of the XMF Shares in issue (or 60% of the XMF Shares assuming options representing the maximum number of XMF Shares under the XMF Share Option Schemes have been granted and fully exercised) as at the date of such approval of XMF Shareholders or our Shareholders, whichever is later. Options previously granted under the XMF Share Option Schemes and any other share option schemes of Xiaomi Finance (including those outstanding, canceled or lapsed in accordance with its terms or exercised), shall not be counted for the purpose of calculating the refreshed XMF Option Scheme Mandate Limit.

Notwithstanding the foregoing, Xiaomi Finance may seek separate approval of the XMF Shareholders in general meeting, and, for so long as Xiaomi Finance remains our subsidiary, our Shareholders in general meeting for granting options beyond the XMF Option Scheme Mandate Limit,

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provided such grant is to XMF Eligible Person specifically identified by Xiaomi Finance before the aforesaid shareholders’ meetings where such approvals are sought.

(e) Maximum entitlement of a grantee

There is no maximum entitlement of a grantee under the XMF Share Option Scheme II, save that no options shall be grant to Lei Jun (or entities controlled by him) if such grant would result in Lei Jun’s effective interest in Xiaomi Finance exceeding [28.0467]% (being the effective interest of Lei Jun in the share capital of our Company as of the Latest Practicable Date). Such assessment would be made on a fully diluted basis, assuming exercise in full of any options in respect of the XMF Shares held by Lei Jun (or entities controlled by him) and any other grantees.

(f) Performance target

The XMF Share Option Scheme II does not set out any performance targets that must be achieved before the options may be exercised. However, the XMF Board or its delegate(s) may at their sole discretion specify, as part of the terms and conditions of any option, such performance conditions that must be satisfied before the option can be exercised.

(g) Subscription price

The price per XMF Share at which a grantee may subscribe for XMF Shares on the exercise of an option under the XMF Share Option Scheme II shall be the “**XMF Subscription Price.**”

- (i) The XMF Board shall determine the XMF Subscription Price in relation to each option at the time of grant and specify the XMF Subscription Price in the grant offer letter, provided that, subject to circumstances described below, the XMF Subscription Price shall not be less than the nominal value of a XMF Share or the per XMF Share valuation based on the most recent appraised value of Xiaomi Finance (assuming that the XMF Restructuring had been completed) prior to the Adoption Date.
- (ii) In the event that the XMF Board resolves to seek a separate listing of the XMF Shares on any established stock exchange (including the Stock Exchange), for so long as Xiaomi Finance is a subsidiary of our Company, the XMF Subscription Price of any options granted after such resolution to the listing date of the Xiaomi Finance shall not be lower than the nominal value of a XMF Share or the new issue price (if any). In particular, the XMF Subscription Price of any options granted during the period commencing six (6) months before the lodgment of the listing application and up to the listing date of Xiaomi Finance shall not be lower than the new issue price (if any).

Our legal advisors as to Cayman Islands laws have advised that the above pricing mechanisms for the options granted under the XMF Share Option Scheme II do not contravene the memorandum and articles of association of the Xiaomi Finance or any relevant laws and regulations of the Cayman Islands.

(h) Rights are personal to grantee

An option is personal to the grantee and shall not be transferable or assignable and no grantee shall in any way sell, transfer, charge, mortgage, encumber or otherwise dispose of or create any interest in favor of or enter into any agreement with any other person over or in relation to any option,

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except for the transmission of an option on the death of the grantee to his personal representative(s) on the terms of the XMF Share Option Scheme II.

(i) Grants to directors and senior management members of our Company

For so long as Xiaomi Finance is our subsidiary, each grant of options to any Director, the chief executive (as defined in the Listing Rules), or any of the senior management members (as identified in the section headed “Directors and Senior Management”) of our Company (or any of their respective associates) shall be subject to the scrutiny and approval of our remuneration committee.

(j) Grant offer letter and notification of grant of options

An offer shall be made to XMF Eligible Persons by a letter in duplicate specifying the terms on which the option is to be granted. Such terms may include any minimum period(s) for which an option must be held and/or any minimum performance target(s) that must be achieved, before the option can be exercised in whole or in part, and may include at the discretion of the XMF Board or its delegate(s) such other terms either on a case-by-case basis or generally.

An offer shall be deemed to have been accepted and the option to which the offer relates shall be deemed to have been granted and to have taken effect when the duplicate of the offer letter comprising acceptance of the offer duly signed by the grantee with the number of XMF Shares in respect of which the offer is accepted clearly stated therein, together with a remittance in favor of Xiaomi Finance of HK\$1.00 by way of consideration for the grant thereof, is received by Xiaomi Finance within 20 business days from the date on which the letter containing the offer is delivered to the XMF Eligible Person.

Any offer may be accepted in respect of less than the number of XMF Shares for which it is offered. To the extent that the offer is not accepted within 20 business days from the date on which the letter containing the offer is delivered to that XMF Eligible Person, it shall be deemed to have been irrevocably declined.

(k) Time of exercise of an option

An option may, subject to the rules of the XMF Share Option Scheme II and the terms and conditions upon which such option is granted, be exercised in whole or in part by the grantee giving notice in writing to Xiaomi Finance in such form as the XMF Board may from time to time determine stating that the option is thereby exercised and the number of XMF Shares in respect of which it is exercised.

(l) Cancellation of options granted

Any breaches of the rules of the XMF Share Option Scheme II by a grantee may result in the options granted to such grantee being canceled by Xiaomi Finance. Any options granted but not exercised may be canceled if the grantee so agrees. Issuance of new options to the same grantee may only be made if there are unissued options available under the XMF Share Option Scheme II (excluding the canceled options) and in compliance with the terms of the XMF Share Option Scheme II.

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(m) Lapse of an option

Without prejudice to the additional situations provided by the XMF Board or its delegates(s), an option shall lapse automatically (to the extent not already exercised) on the earliest of:

- (i) the expiry of the period within which an option may be exercised, which is to be determined and notified by the XMF Board to each grantee at the time of making an offer, and shall not expire later than 10 years from the date of grant (the “**XMF Option Period**”);
- (ii) the expiry of any of the periods for exercising the option as referred to in the paragraphs headed “Retirement, death or permanent physical or mental disability of an Eligible Person,” “Termination of employment of an Eligible Person,” and “Rights on a voluntary winding up” below; and
- (iii) the date on which the grantee commits a breach of the rules detailed under the heading “Rights are personal to grantee” above.

(n) Effects of alterations in the capital structure of Xiaomi Finance

In the event of an alteration in the capital structure of Xiaomi Finance by way of capitalization of profits or reserves, rights issue, subdivision or consolidation of shares, or reduction of the share capital of Xiaomi Finance in accordance with applicable laws and requirements (other than any alteration in the capital structure of Xiaomi Finance as a result of an issue of XMF Shares as consideration in a transaction to which Xiaomi Finance is a party), such corresponding alterations (if any) shall be made to:

- (i) the number or nominal amount of XMF Shares comprised in each option so far as unexercised;
- (ii) the XMF Subscription Price;
- (iii) the method of exercise of the option; or
- (iv) any combination thereof,

as the auditors or a financial advisor engaged by Xiaomi Finance for such purpose shall, at the request of Xiaomi Finance, certify in writing, either generally or as regards any particular grantee, to be in their opinion fair and reasonable, provided always that any such adjustments should give each grantee the same proportion of the equity capital of Xiaomi Finance (or as nearly as possible but not greater than the same proportion of the equity capital of Xiaomi Finance) as that to which that grantee was previously entitled prior to such adjustments, and no adjustments shall be made which will enable a XMF Share to be issued at less than its nominal value. The capacity of the auditors or financial advisor (as the case may be) is that of experts and not of arbitrators and their certification shall, in the absence of manifest error, be final and binding on Xiaomi Finance and the grantees. The costs of the auditors or financial advisor (as the case may be) shall be borne by Xiaomi Finance.

(o) Retirement, death or permanent physical or mental disability of a XMF Eligible Person

If a grantee ceases to be a XMF Eligible Person by reason of (i) death of the grantee, (ii) termination of the grantee’s employment or contractual engagement with Xiaomi Finance or Xiaomi Finance’s affiliate by reason of his/her permanent physical or mental disablement, or (iii) retirement of the grantee, the option may be exercised within the XMF Option Period, or such other period as the XMF Board or its delegate(s) may decide in their sole discretion.

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In the case of death of a grantee, the option may be exercised within that period by the personal representatives of the grantee. In the case where a grantee no longer has any legal capacity to exercise the option, the option may be exercised within that period by the persons charged with the duty of representing the grantee under the relevant laws.

If the option is not exercised within the times mentioned above, the option shall lapse.

(p) Termination of employment of a XMF Eligible Person

If a grantee, being an employee whose employment is terminated by Xiaomi Finance or its affiliate by reason of the employer terminating the contract of employment without notice or payment in lieu of notice, or the grantee having been convicted of any criminal offense involving his integrity or honesty, the option shall immediately lapse.

If a grantee is declared bankrupt or becomes insolvent or makes any arrangements or composition with his/her creditors generally, the option shall immediately lapse.

If a grantee being an employee ceases to be a XMF Eligible Person due to termination of his/her employment or contractual engagement with Xiaomi Finance by reason of redundancy, the option may be exercised within three months of such cessation or within the XMF Option Period, whichever is the shorter, or such other period as the XMF Board or its delegate(s) may decide in their sole discretion.

If a grantee ceases to be a XMF Eligible Person other than in any of the circumstances described above, unless otherwise provided in the letter containing the offer, a grantee may exercise his/her option within three months of such cessation or within the XMF Option Period, whichever is the shorter, or such other period as the XMF Board or its delegate(s) may decide in their sole discretion.

(q) Rights on schemes of compromise or arrangement

If a compromise or arrangement between Xiaomi Finance and the XMF Shareholders or creditors is proposed, Xiaomi Finance shall give notice to the grantee on the same date as Xiaomi Finance dispatches the notice to each XMF Shareholder or creditor of Xiaomi Finance summoning the meeting to consider such a compromise or arrangement, and thereupon the grantee (or his personal representatives) may until the expiry of the period commencing with such date and ending with the earlier of the date two calendar months thereafter or the date on which such compromise or arrangement is sanctioned by the court exercise any of his options (to the extent not already exercised) whether in full or in part, but the exercise of an option as aforesaid shall be conditional upon such compromise or arrangement being sanctioned by the court and becoming effective, and upon such compromise or arrangement becoming effective, all options shall lapse except insofar as previously exercised under the XMF Share Option Scheme II. Xiaomi Finance may require the grantee to transfer or otherwise deal with the XMF Shares issued as a result of the exercise of options in these circumstances so as to place the grantee in the same position, as nearly as possible, as would have been the case had such XMF Shares been subject to such compromise or arrangement. If the option is not exercised within the time specified, the option shall lapse.

(r) Rights on a voluntary winding up

In the event a notice is given by Xiaomi Finance to the XMF Shareholders to convene a general meeting for the purposes of considering, and if thought fit, approving a resolution to voluntarily

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wind-up Xiaomi Finance, Xiaomi Finance shall on the same date as or soon after it dispatches such notice to each XMF Shareholder give notice thereof to all grantees (together with a notice of the existence of the provisions of this rule) and thereupon, each grantee (or his personal representatives) shall be entitled to exercise all or any of his options (to the extent not already exercised) at any time not later than two business days prior to the proposed general meeting of Xiaomi Finance by giving notice in writing to Xiaomi Finance, accompanied by a remittance for the full amount of the aggregate subscription price for the XMF Shares in respect of which the notice is given whereupon Xiaomi Finance shall as soon as possible and, in any event, no later than the business day immediately prior to the date of the proposed general meeting referred to above, allot the relevant XMF Shares to the grantee credited as fully paid. If the option is not exercised within the time specified, the option shall lapse.

(s) Ranking of XMF Shares

The XMF Shares to be allotted and issued upon the exercise of an option shall be identical to the then existing issued shares of XMF Finance and subject to all the provisions of the memorandum and articles of association of Xiaomi Finance and will rank *pari passu* with fully paid XMF Shares in issue on the date the name of the grantee is registered on the register of members of Xiaomi Finance or if that date falls on a day when the register of members of Xiaomi Finance is closed, the first day of the re-opening of the register of members, save that the grantee shall not have any voting rights, or rights to participate in any dividends or distributions (including those arising on a liquidation of Xiaomi Finance) declared or recommended or resolved to be paid to the XMF Shareholders on the register on a date prior to such registration.

(t) Duration

The XMF Share Option Scheme II shall be valid and effective for the period of 10 years commencing on the XMF Scheme Adoption Date (after which, no further options shall be offered or granted), but in all other respects the provisions of the XMF Share Option Scheme II shall remain in full force and effect to the extent necessary to give effect to the exercise of any options granted prior thereto or otherwise as may be required in accordance with the provisions of the rules of the XMF Share Option Scheme II.

(u) Alteration of the XMF Share Option Scheme II

The XMF Board may amend or vary any of the provisions of the XMF Share Option Scheme II (including without limitation amendments in order to comply with changes in legal or regulatory requirements and amendments in order to waive any restrictions, imposed by the provisions of the XMF Share Option Scheme II, which are not found in Chapter 17 of the Listing Rules) at any time (but not so as to affect adversely any rights which have accrued to any grantee at that date).

Those specific provisions of the XMF Share Option Scheme II that relate to the matters set out in Rule 17.03 of the Listing Rules cannot be altered to the advantage of XMF Eligible Person, and no changes to the authority of the administrator of the XMF Share Option Scheme II in relation to any alteration of the terms of the XMF Share Option Scheme II shall be made, without the prior approval of the XMF Shareholders in general meeting and, for so long as Xiaomi Finance is our subsidiary, the prior approval of our Shareholders in general meeting. Any alterations to the terms of the XMF Share Option Scheme II that are of a material nature, or any change to the terms and conditions of the options

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granted, must also, to be effective, be approved by the XMF Shareholders in general meeting, and for so long as Xiaomi Finance is our subsidiary, our Shareholders in general meeting and, if applicable, the Stock Exchange, except where the alterations take effect automatically under the existing terms of the XMF Share Option Scheme II. The options and the XMF Share Option Scheme II so altered must comply with Chapter 17 of the Listing Rules (subject to dispensations, modifications and/or waivers granted by the Stock Exchange from time to time). Any change to the authority of the XMF Board or scheme administrators in relation to any alteration to the terms of the XMF Share Option Scheme II must be approved by the XMF Shareholders in general meeting, and for so long as Xiaomi Finance is our subsidiary, our Shareholders in general meeting.

Notwithstanding any provisions to the contrary in the XMF Share Option Scheme II, if on the relevant date of exercise there are restrictions or conditions imposed by the relevant laws and regulations to which the grantee is subject and the grantee has not obtained approval, exemption or waiver from the relevant regulatory authorities for the subscription of and dealing in the XMF Shares, the grantee may sell the options to such transferee, subject to the approval by the XMF Board, which shall not be unreasonably withheld or delayed.

(v) Termination

The XMF Shareholders by ordinary resolution in general meeting or the XMF Board may at any time resolve to terminate the operation of the XMF Share Option Scheme II prior to the expiry of the XMF Share Option Scheme II and in such event no further options will be offered or granted but the provisions of the XMF Share Option Scheme II shall remain in full force to the extent necessary to give effect to the exercise of any options granted prior thereto or otherwise as may be required in accordance with the provisions of the XMF Share Option Scheme II. Options complying with the terms of the XMF Share Option Scheme II that are granted during the life of the XMF Share Option Scheme II and remain unexercised and unexpired immediately prior to the termination of the operation of the XMF Share Option Scheme II shall continue to be valid and exercisable in accordance with their terms of issue after the termination of the XMF Share Option Scheme II.

Outstanding options granted

As of the Latest Practicable Date, no options under the XMF Share Option Scheme II had been granted.

5. Pinecone Share Option Scheme I

The following is a summary of the principal terms of the Pinecone Share Option Scheme I, the share option scheme adopted by the resolutions in writing of the shareholders of the Pinecone International (who were, at the relevant time, Zhou Guangping, one of our Co-founders, and X-Lab Limited (an Independent Third Party wholly-owned by the founder of Pinecone International, Zhu Ling)) passed on July 30, 2015. The terms of the Pinecone Share Option Scheme I are not subject to the provisions of Chapter 17 of the Listing Rules. As of the Latest Practicable Date, the share capital of Pinecone International was made of ordinary shares and series A preferred shares.

(a) Purpose

The purpose of the Pinecone Share Option Scheme I is to promote the success of the Pinecone International and the interests of its shareholders by providing a means through which the Pinecone

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International may grant equity-based incentives to attract, motivate, retain and reward certain officers, employees, directors and other eligible persons and to further link the interests of awarded recipients with those of the Pinecone International’s shareholders generally.

(b) Eligible persons

Those eligible to participate in the Pinecone Share Option Scheme I include any officer (whether or not a director) or employee of the Pinecone International or its affiliates, any director of the Pinecone International or its affiliates, or any individual consultant or advisor who renders or has rendered bona fide services (with certain exceptions) to the Pinecone International or its affiliates, as determined by the Administrator (defined below). No individual has any right to be granted Pinecone Award pursuant to the Pinecone Share Option Scheme I.

(c) Maximum number of shares

The total number of underlying shares which may be issued pursuant to the Pinecone Share Option Scheme I is 12,000,000 ordinary shares in the share capital of the Pinecone International with a par value of US\$0.0001 each (“**Pinecone Shares**”), subject to adjustments for any reorganization, extraordinary dividend distribution or extraordinary corporate transaction in relation to the share capital of the Pinecone International.

(d) Administration

Pinecone Share Option Scheme I is administered by the board of directors of the Pinecone International (the “**Pinecone Board**”) or one or more committees appointed by the board or another committee (within its delegated authority) to administer all or certain aspects of the scheme (the “**Administrator**”). Pursuant to the Pinecone Share Option Scheme I, the Administrator may, from time to time, select from the eligible persons to whom awards in the form of options in Pinecone Shares (“**Pinecone Options**”) or restricted or unrestricted share awards (“**Pinecone Share Awards**”) (collectively “**Pinecone Awards**”) will be granted, and may determine the nature, price and amount of each Pinecone Award.

(e) Grant of Pinecone Awards

Pinecone Awards granted will be evidenced by an agreement (“**Pinecone Award Agreement**”) in the form approved by the Administrator. The Pinecone Award Agreement shall contain the terms established by the Administrator for that Pinecone Award, as well as any additional as well as any other terms, provisions, or restrictions that the Administrator may impose on the Pinecone Award or the Pinecone Shares underlying the Pinecone Award; in each case subject to the provisions of the Pinecone Share Option Scheme I.

(f) Term of Pinecone Share Option Scheme I

Pinecone Share Option Scheme I commenced on July 30, 2015 and will expire on the tenth anniversary thereof. Upon expiry of the Pinecone Share Option Scheme I, any Pinecone Award that is outstanding shall remain in force according to their applicable terms and conditions and the terms and conditions of the Pinecone Share Option Scheme I.

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(g) *Pinecone Options*

(i) Exercise of option

A Pinecone Option may be exercised only to the extent that it is vested and exercisable. The Administrator determines the vesting and/or exercisability provisions of each Pinecone Option, which may be based on performance criteria, passage of time or other factors or any combination thereof and including exercise prior to vesting, provided the term of any Pinecone Option granted shall not exceed ten years.

(ii) Exercise price

The exercise price per Pinecone Share underlying the Pinecone Options shall be determined by the Administrator at the time of the grant of the Pinecone Options, and set forth in the applicable Award Agreement. The exercise price must not be lower than the par value of the underlying Pinecone Share, and in certain circumstances must not be lower than defined multiples of the fair market value of the underlying Pinecone Share.

(iii) Effect of termination of employment

Unless otherwise provided in the applicable Award Agreement and subject to provisions of the Pinecone Share Option Scheme I:

- if a Participant’s employment by or service to Pinecone International or its affiliates is terminated for cause, the Participant’s Pinecone Option will terminate on the Participant’s severance date, whether or not the Pinecone Option is then vested and/or exercisable.
- if a Participant’s employment by or service to Pinecone International or its affiliates terminates as a result of the Participant’s death or total disability, the Participant (or his or her personal representative or beneficiary), will have until the date that is 6 months after the Participant’s severance date to exercise the Participant’s Pinecone Option (or portion thereof) to the extent that it was vested and exercisable on the severance date. The Pinecone Option, to the extent not vested and exercisable on the Participant’s severance date, shall terminate on the severance date. The Pinecone Option, to the extent exercisable for the 6-month period following the Participant’s severance date and not exercised during such period, shall terminate at the close of business on the last day of the 6-month period.
- if a Participant’s employment by or service to Pinecone International or its affiliates terminates for any reason other than a termination for cause or the Participant’s death or total disability, the Participant will have until the date that is 30 days after the Participant’s severance date to exercise his or her Option (or portion thereof) to the extent that it was vested and exercisable on the severance date. The Pinecone Option, to the extent not vested and exercisable on the Participant’s severance date, shall terminate on the severance date. The Pinecone Option, to the extent exercisable for the 30 day period following the Participant’s severance date and not exercised during such period, shall terminate at the close of business on the last day of the 30 day period.

(iv) Subsequent Changes

Subject to provisions of the Pinecone Share Option Scheme I, the Administrator from time to time may authorize, generally or in specific cases only, for the benefit of any eligible person, any

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adjustment in the exercise or base price, the vesting schedule, the number of Pinecone Shares subject to, or the term of, Options granted under this scheme, by cancelation of an outstanding Option or/and a subsequent regranting of the Pinecone Option, by amendment, by substitution of an outstanding Option, by waiver or by other legally valid means. Such amendment or other action may result in, among other changes, an exercise or base price that is higher or lower than the exercise or base price of the original or prior Option, provide for a greater or lesser number of Pinecone Shares subject to the Pinecone Options, or provide for a longer or shorter vesting or exercise period.

(h) Pinecone Share Awards

(i) Issuance and vesting

The Administrator shall designate whether a Pinecone Share Award shall be an unrestricted or restricted Pinecone Share Award. The restrictions imposed on the Pinecone Share subject to a restricted Pinecone Share Award, which may be based on performance criteria, passage of time or other factors or any combination thereof, will be set forth in the applicable Award Agreement.

A Pinecone Share Award shall either vest or be repurchased by the Company as provided by the Pinecone Share Option Scheme I, not more than 10 years after the date of grant.

(ii) Purchase Price

The Administrator will determine the purchase price per share of the Pinecone Shares covered by each Pinecone Share Award at the time of grant of the Award. In no case will such purchase price be less than the par value of the Pinecone Share.

(iii) Termination of Employment and Repurchase

Unless the Administrator otherwise expressly provides, Pinecone Share subject to a restricted Pinecone Share Award, the vesting conditions of which have not been satisfied by the time specified in the applicable Award Agreement, will not vest and will be reacquired by the Company in such manner and on such terms as the Administrator provides. Such terms shall include, to the extent not prohibited by law, return or repayment of the lower of the fair market value of the shares in question at the time of the termination, or if applicable, the original purchase price of the shares in question, without interest. The Award Agreement shall specify any other terms or conditions of the repurchase if the Award fails to vest.

Any other Pinecone Share Award that has not been exercised as of a Participant's severance date shall terminate on that date unless otherwise expressly provided by the Administrator in the applicable Award Agreement.

(iv) Waiver of restrictions

Subject to provisions of the Pinecone Share Option Scheme I, the Administrator from time to time may authorize, generally or in specific cases only, for the benefit of any eligible person, any adjustment in the vesting schedule, or the restrictions upon or the term of, a Pinecone Share Award granted under this scheme by amendment, by substitution of an outstanding Pinecone Share Award, by waiver or by other legally valid means.

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(i) Transfer restrictions

Unless otherwise expressly provided by the Pinecone Share Option Scheme I, applicable law and the Award Agreement, as the same may be amended, all Pinecone Awards are non-transferable and will not be subject in any manner to sale, transfer, anticipation, alienation, assignment, pledge, encumbrance or charge, all Awards will be exercised only by the Participant, and amounts payable or Pinecone Shares issuable pursuant to an Award will be delivered only to or for the account of, and, in the case of Pinecone Shares, registered in the name of, the Participant.

(j) Adjustment

Upon any reclassification, recapitalization, share split or reverse share split; any merger, combination, consolidation, or other reorganization; any split-up, spin-off, or similar extraordinary dividend distribution in respect of the ordinary shares; or any exchange of Pinecone Shares or other securities of Pinecone International, or any similar, unusual or extraordinary corporate transaction in respect of the ordinary shares; the Administrator shall equitably and proportionately adjust: (i) the number and type of Pinecone Shares (or other securities) that thereafter may be made the subject of Awards, (ii) the number, amount and type of Pinecone Share (or other securities or property) subject to any outstanding Awards, (iii) the grant, purchase, exercise or base price of any outstanding Awards, and/or (iv) the securities, cash or other property deliverable upon exercise or vesting of any outstanding Awards, in each case to the extent necessary to preserve the level of incentives intended by the Pinecone Share Option Scheme I and the then-outstanding Awards.

Unless otherwise expressly provided in the applicable Award Agreement, upon any above mentioned event or transaction or a sale of all or substantially all of the business or assets of Pinecone International as an entirety, the Administrator shall equitably and proportionately adjust the performance standards applicable to any then-outstanding performance-based Awards to the extent necessary to preserve the level of incentives intended by the Pinecone Share Option Scheme I and the then-outstanding performance-based Awards.

(k) Change in Control and Acceleration

Upon the occurrence of a change in control event, the Administrator may make provision for a cash payment in settlement of, or for the assumption, substitution or exchange of any or all outstanding Awards based upon, to the extent relevant in the circumstances, the distribution or consideration payable to holders of the Pinecone Shares upon or in respect of such event.

In addition, upon the occurrence of a change in control event, each Pinecone Option will become immediately vested and exercisable; and restricted Pinecone Share Awards will immediately vest free of forfeiture restrictions and/or restrictions giving the Company the right to repurchase the Pinecone Shares at their original purchase price; provided, however, that such acceleration provision shall not apply, unless otherwise expressly provided by the Administrator, with respect to any Award to the extent that the Administrator has made a provision for the substitution, assumption, exchange or other continuation or settlement of the Award, or the Award would otherwise continue in accordance with its terms, in the circumstances.

The foregoing change in control event provisions shall not in any way limit the authority of the Administrator to accelerate the vesting of one or more Awards in such circumstances as the Administrator may determine to be appropriate, regardless of whether accelerated vesting of all or a

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portion of the Award(s) is otherwise required or contemplated by the foregoing in the circumstances. The Administrator may override the relevant provisions in the Pinecone Share Option Scheme I as to any Award by express provision in the applicable Award Agreement and may accord any Participant a right to refuse any acceleration, whether pursuant to the Award Agreement or otherwise, in such circumstances as the Administrator may approve.

(l) Amendment, modification and termination

The Pinecone Board may, at any time, terminate or, from time to time, amend, modify or suspend the Pinecone Share Option Scheme I, in whole or in part. To the extent required by applicable law, rules or regulations, or deemed necessary or advisable by the board, any amendment to this Plan shall be subject to shareholder approval.

Subject to the provisions of the Pinecone Share Option Scheme I, the Administrator by agreement or resolution may waive conditions of or limitations on Awards to Participants that the Administrator in the prior exercise of its discretion has imposed, without the consent of a Participant, and may make other changes to the terms and conditions of Awards.

No amendment, suspension or termination of the Pinecone Share Option Scheme I or amendment of any outstanding Award shall, without written consent of the Participant, affect in any manner materially adverse to the Participant any rights or benefits of the Participant or obligations of Pinecone International under any Award granted prior to the effective date of such change.

Outstanding Pinecone Options granted

The proposal to grant the Pinecone Options under the Pinecone Share Option Scheme I to the grantees as set out below has been approved by the Pinecone Board. The overall limit on the number of underlying Pinecone Shares is 12,000,000 Pinecone Shares. As at the Latest Practicable Date, the aggregate number of underlying Pinecone Shares pursuant to the Pinecone Options granted under the Pinecone Share Option Scheme I is [3,806,649] Pinecone Shares, representing approximately [15]% of the issued share capital of the ordinary shares of Pinecone International. As at the Latest Practicable Date, we have granted Pinecone Options to [37] Participants. [All Pinecone Options were granted between 18 May 2015 and [March 26, 2018]. No Pinecone Options have been granted to Directors, senior managers or other connected persons of the Company. [Pinecone International will not make any further grants of Pinecone Options under the Pinecone Share Option Scheme I after the [REDACTED]]. All Pinecone Shares underlying the Pinecone Options are ordinary shares of Pinecone International.

6. Pinecone Share Option Scheme II

The following is a summary of the principal terms of Pinecone Share Option Scheme II, the share option scheme conditionally adopted by the resolutions in writing of the shareholders of Pinecone International passed on [●] 2018 and shareholders of our Company on [●]. The terms of Pinecone Share Option Scheme II will be governed by Chapter 17 of the Listing Rules and subject to the relevant waiver set out in “Waivers from Strict Compliance with the Listing Rules and Exemptions from the Companies (Winding Up and Miscellaneous Provisions) Ordinance.” As of the Latest Practicable Date, the share capital of Pinecone International was made of ordinary shares and series A preferred shares.

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(a) Purpose

The purpose of the Pinecone Share Option Scheme II is to provide selected participants with the opportunity to acquire proprietary interests in Pinecone International and to encourage selected participants to work towards enhancing the value of Pinecone International and its shares for the benefit of Pinecone International and its shareholders, including our Company, as a whole. Pinecone Share Option Scheme II will provide Pinecone International with a flexible means of retaining, incentivising, rewarding, remunerating, compensating and/or providing benefits to selected participants.

(b) Selected participants

Any individual, being an employee, director, officer, consultant, advisor, distributor, contractor, customer, supplier, agent, business partner, joint venture business partner or service provider of any member of the group of Pinecone International (the “**Pinecone Group**”) or any affiliate who the board of Pinecone International or its delegate(s) (the “**Pinecone Board**”) considers, in their sole discretion, to have contributed or will contribute to the Pinecone Group is entitled to be offered and granted options. However, no individual who is resident in a place where the grant, acceptance or exercise of options pursuant to the Pinecone Share Option Scheme II is not permitted under the laws and regulations of such place or where, in the view of the board of Pinecone International or its delegate(s), compliance with applicable laws and regulations in such place makes it necessary or expedient to exclude such individual, is eligible to be offered or granted options.

(c) Maximum number of ordinary shares of Pinecone International

The total number of shares that may be issued upon exercise of all options to be granted under the Pinecone Share Option Scheme II and any other schemes is [8,800,000] ordinary shares of Pinecone International, being no more than [10]% of the total number of ordinary shares in issue of Pinecone International (assuming all preferred shares of Pinecone International have been converted into ordinary shares) on the date on which Pinecone Share Option Scheme II was approved (the “**Pinecone Option Scheme Mandate Limit**”). Options which have lapsed in accordance with the terms of the rules of the Pinecone Share Option Scheme II (or any other share option schemes of Pinecone International) shall not be counted for the purpose of calculating the Pinecone Option Scheme Mandate Limit. We have applied for, and the Stock Exchange [has granted] a waiver from strict compliance with Note 1 to Rule 17.03(3) of the Listing Rules, such that the Pinecone Option Scheme Mandate Limit of 10% was calculated based on the number of ordinary shares of Pinecone International assuming all preferred shares of Pinecone International have been converted into ordinary shares), as opposed to each class of securities.

The overall limit on the number of ordinary shares of Pinecone International that may be issued upon exercise of all outstanding options granted and yet to be exercised under the Pinecone Share Option Scheme II and any other share option schemes of Pinecone International at any time must not exceed [30]% of the ordinary shares of Pinecone International in issue from time to time (assuming all preferred shares of Pinecone International have been converted into ordinary shares) (the “**Pinecone Option Scheme Limit**”). No options may be granted under any schemes of Pinecone International if this will result in the Pinecone Option Scheme Limit being exceeded.

The Pinecone Option Scheme Mandate Limit may be refreshed at any time by obtaining prior approval of the shareholders of Pinecone International and, for so long as Pinecone International is a

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subsidiary of our Company, the Shareholders of our Company in general meeting and/or such other applicable requirements prescribed under the Listing Rules from time to time. However, the refreshed Pinecone Option Scheme Mandate Limit cannot exceed [10]% of the ordinary shares of Pinecone International in issue as at the date of such approval (assuming all preferred shares of Pinecone International have been converted into ordinary shares) . Options previously granted under the Pinecone Share Option Scheme II and any other share option schemes of Pinecone International (including those outstanding, canceled or lapsed in accordance with its terms or exercised), shall not be counted for the purpose of calculating the refreshed Pinecone Option Scheme Mandate Limit.

Pinecone International may also grant options in excess of the Pinecone Option Scheme Mandate Limit, provided such grant is to specifically identified selected participant and is first approved by shareholders of Pinecone International and, for so long as Pinecone International is a subsidiary of our Company, the Shareholders of our Company in general meeting.

(d) Maximum entitlement of a grantee

Unless approved by shareholders of Pinecone International, and, for so long as Pinecone International is a subsidiary of our Company, the Shareholders of our Company, the total number of ordinary shares of Pinecone International issued and to be issued upon exercise of the options granted and to be granted under Pinecone Share Option Scheme II and any other share option scheme(s) of Pinecone International to each selected participant (including both exercised and outstanding options) in any 12-month period shall not exceed 1% of the total number of ordinary shares in issue of Pinecone International (assuming all preferred shares have been converted into ordinary shares) (the “**Pinecone Individual Limit**”). Any further grant of options to a selected participant which would result in the aggregate number of ordinary shares of Pinecone International issued and to be issued upon exercise of all options granted and to be granted to such selected participant (including exercised, canceled and outstanding options) in the 12 month period up to and including the date of such further grant exceeding the Pinecone Individual Limit shall be subject to separate approval of shareholders of Pinecone International, and for as long as Pinecone International is a subsidiary of our Company, the Shareholders of our Company (with such selected participant and his associates abstaining from voting).

(e) Performance target

Pinecone Share Option Scheme II does not set out any performance targets that must be achieved before the options may be exercised. However, the Pinecone Board or its delegate(s) may at their sole discretion specify, as part of the terms and conditions of any option, such performance conditions that must be satisfied before the option can be exercised.

(f) Subscription price

The price per ordinary share of Pinecone International at which a grantee may subscribe for the ordinary shares of Pinecone International on the exercise of an option under the Pinecone Share Option Scheme II shall be the “**Pinecone Subscription Price**.” The Pinecone Board shall determine the Pinecone Subscription Price in relation to each option at the time of grant and specify the Pinecone Subscription Price in the grant offer letter.

In the event that the Pinecone Board resolves to seek a separate listing of its shares on any established stock exchange (including the Stock Exchange), for so long as Pinecone International is a

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subsidiary of our Company, the Pinecone Subscription Price of any options granted after such resolution to the listing date of the Pinecone International shall not be lower than the new issue price (if any). In particular, the Pinecone Subscription Price of any options granted during the period commencing six (6) months before the lodgement of the listing application and up to the listing date of Pinecone International shall not be lower than the new issue price (if any).

After the shares of Pinecone International are listed on any established stock exchange (including the Stock Exchange), the Pinecone Subscription Price of any options to be granted shall be at least the higher of: (i) the nominal value of a share of Pinecone International; (ii) the closing price of the shares of Pinecone International as stated in the exchange’s daily quotations sheet on the date of grant of such option, which must be a business day; and (iii) the average closing price of the shares of Pinecone International as stated in the stock exchange’s daily quotations sheets for the five (5) business days immediately preceding the date of grant of such option.

(g) Rights are personal to grantee

An option is personal to the grantee and shall not be transferable or assignable and no grantee shall in any way sell, transfer, charge, mortgage, encumber or otherwise dispose of or create any interest in favor of or enter into any agreement with any other person over or in relation to any option, except for the transmission of an option on the death of the grantee to his personal representative(s) on the terms of the Pinecone Share Option Scheme II.

(h) Grants to directors or substantial shareholders of the Company

Where any grant of options to a substantial shareholder or an independent non-executive Director (or any of their respective associates) would result in the number of Shares issued and to be issued upon exercise of all options already granted and to be granted (including options exercised, canceled and outstanding) to such person in the 12-month period up to and including the date of such grant representing in aggregate over 0.1% (or such other higher percentage as may from time to time be specified by the Stock Exchange) of the ordinary shares in issue of Pinecone International (assuming all preferred shares of Pinecone International have been converted into ordinary shares), such further grant of options must also be first approved by the shareholders of Pinecone International, and for as long as Pinecone International is a subsidiary of our Company, the Shareholders of our Company (voting by way of poll) in a general meeting. In obtaining the approval, our Company shall send a circular to the Shareholders of our Company in accordance with and containing such information as is required under the Listing Rules. All connected persons of our Company shall abstain from voting at such general meeting, except that any connected person may vote against the relevant resolution at the general meeting provided that his intention to do so has been stated in the circular to be sent to the Shareholders of our Company in connection therewith.

(i) Grant offer letter and notification of grant of options

An offer shall be made to selected participants by a letter in duplicate which specifies the terms on which the option is to be granted. Such terms may include any minimum period(s) for which an option must be held and/or any minimum performance target(s) that must be achieved, before the option can be exercised in whole or in part, and may include at the discretion of the Pinecone Board or its delegate(s) such other terms either on a case basis or generally.

An offer shall be deemed to have been accepted and the option to which the offer relates shall be deemed to have been granted and to have taken effect when the duplicate of the offer letter

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comprising acceptance of the offer duly signed by the grantee with the number of ordinary shares of Pinecone International in respect of which the offer is accepted clearly stated therein, together with a remittance in favor of Pinecone International of HK\$1.00 by way of consideration for the grant thereof, which must be received by the Pinecone International within 20 business days from the date on which the offer letter is delivered to the grantee.

Any offer may be accepted in respect of less than the number of ordinary shares of Pinecone International for which it is offered. To the extent that the offer is not accepted within 20 business days from the date on which the letter containing the offer is delivered to that selected participant, it shall be deemed to have been irrevocably declined.

(j) Time of exercise of an option

An option may, subject to the terms and conditions upon which such option is granted, be exercised in whole or in part by the grantee giving notice in writing to Pinecone International in such form as the board of Pinecone International may from time to time determine stating that the option is thereby exercised and the number of shares in respect of which it is exercised.

(k) Cancellation of options

Any breaches of the rules of the Pinecone Share Option Scheme II by a grantee may result in the options granted to such grantee being canceled by Pinecone International. Any options granted but not exercised may be canceled if the grantee so agrees. Issuance of new options to the same grantee may only be made if there are unissued options available under the Pinecone Share Option Scheme II (excluding the canceled options) and in compliance with the terms of the Pinecone Share Option Scheme II.

(l) Lapse of option

An option shall lapse automatically (to the extent not already exercised) on the earliest of:

- (i) the expiry of the period within which an option may be exercised, which is to be determined and notified by the Pinecone Board to each grantee at the time of making an offer, and shall not expire later than ten years from the date of grant;
- (ii) the expiry of any of the periods for exercising the option as referred to in paragraphs (p), (q) and (r) below; and
- (iii) the date on which the grantee commits a breach of the rules of the Pinecone Share Option Scheme II.

(m) Voting and dividend rights

No dividends shall be payable and no voting rights shall be exercisable in relation to any options or ordinary shares of Pinecone International that are the subject of options that have not been exercised.

(n) Effects of alterations in the capital structure of Pinecone International

In the event of an alteration in the capital structure of Pinecone International whilst any option remains exercisable by way of capitalization of profits or reserves, rights issue, subdivision or

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consolidation of shares, or reduction of the share capital of Pinecone International in accordance with legal requirements and, if applicable, the requirements of the Stock Exchange (other than any alteration in the capital structure of Pinecone International as a result of an issue of shares as consideration in a transaction to which Pinecone International is a party), such corresponding alterations (if any) shall be made to:

- (i) the number or nominal amount of ordinary shares of Pinecone International comprised in each option so far as unexercised; and/or
- (ii) the Pinecone Subscription Price;
- (iii) the method of exercise of the option; and/or
- (iv) any combination thereof,

as the auditors or a financial advisor engaged by Pinecone International for such purpose shall, at the request of Pinecone International, certify in writing, either generally or as regards any particular grantee, to be in their opinion fair and reasonable, provided always that any such adjustments should give each grantee the same proportion of the equity capital of Pinecone International as that to which that grantee was previously entitled prior to such adjustments, and no adjustments shall be made which will enable a share of Pinecone International to be issued at less than its nominal value. The capacity of the auditors or financial advisor (as the case may be) is that of experts and not of arbitrators and their certification shall, in the absence of manifest error, be final and binding on Pinecone International and the grantees. The costs of the auditors or financial advisor (as the case may be) shall be borne by Pinecone International.

(o) Retirement, death or permanent physical or mental disability of an selected participant

If a grantee ceases to be selected participant by reason of (i) death of the grantee, (ii) termination of the grantee’s employment or contractual engagement with the Pinecone Group or its affiliate by reason of his/her permanent physical or mental disablement, (iii) retirement of the grantee, the option may be exercised within the option period for which it was granted, or such other period as the Pinecone Board or its delegate(s) may decide in their sole discretion.

In the case of death of a grantee, the option may be exercised within that period by the personal representatives of the grantee. In the case where a grantee no longer has any legal capacity to exercise the option, the option may be exercised within that period by the persons charged with the duty of representing the grantee under the relevant laws in Hong Kong. If the option is not exercised within the time mentioned above, the option shall lapse.

If a grantee, being an employee whose employment is terminated by the Pinecone Group or its affiliate (as applicable) by reason of the employer terminating the contract of employment without notice or payment in lieu of notice, or the grantee having been convicted of any criminal offense involving his integrity or honesty, the option shall immediately lapse.

If a grantee is declared bankrupt or becomes insolvent or makes any arrangements or composition with his creditors generally, the option shall immediately lapse.

If a grantee being an employee ceases to be selected participant due to termination of his or her employment or contractual engagement with the Pinecone Group by reason of redundancy, the option may be exercised within three months of such cessation or within the option period for which it was

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granted, whichever is the shorter, or such other period as the Pinecone Board or its delegate(s) may decide in their sole discretion.

If a grantee ceases to be selected participant other than in any of the circumstances described above, unless otherwise provided in the grant offer letter, a grantee may exercise his or her option within three months of such cessation or within the option period for which it was granted, whichever is the shorter, or such other period as the Pinecone Board or its delegate(s) may decide in their sole discretion.

(p) Rights on takeover and schemes of compromise or arrangement

If a compromise or arrangement between Pinecone International and its members or creditors is proposed, Pinecone International shall give notice to the grantee on the same date as it despatches the notice to each member or creditor of Pinecone International summoning the meeting to consider such a compromise or arrangement, and thereupon the grantee (or his personal representatives) may until the expiry of the period commencing with such date and ending with earlier of the date two calendar months thereafter or the date on which such compromise or arrangement is sanctioned by the court exercise any of his options (to the extent not already exercised) whether in full or in part, but the exercise of an option as aforesaid shall be conditional upon such compromise or arrangement being sanctioned by the court and becoming effective, and upon such compromise or arrangement becoming effective, all options shall lapse except insofar as previously exercised under the Pinecone Share Option Scheme II. Pinecone International may require the grantee to transfer or otherwise deal with the ordinary shares of Pinecone International issued as a result of the exercise of options in these circumstances so as to place the grantee in the same position, as nearly as possible, as would have been the case had such ordinary shares of Pinecone International been subject to such compromise or arrangement. If the option is not exercised within the time specified, the option shall lapse.

(q) Rights on a voluntary winding up

In the event a notice is given by Pinecone International to its members to convene a general meeting for the purposes of considering, and if thought fit, approving a resolution to voluntarily wind-up Pinecone International, Pinecone International shall on the same date as or soon after it dispatches such notice to each member of Pinecone International give notice thereof to all grantees (together with a notice of the existence of the provisions of this sub-paragraph) and thereupon, each grantee (or his personal representatives) shall be entitled to exercise all or any of his options (to the extent not already exercised) at any time not later than two business days prior to the proposed general meeting of Pinecone International by giving notice in writing to Pinecone International, accompanied by a remittance for the subscription price for the ordinary shares of Pinecone International in respect of which the notice is given whereupon Pinecone International shall as soon as possible and, in any event, no later than the business day immediately prior to the date of the proposed general meeting referred to above, allot the relevant ordinary shares of Pinecone International to the grantee credited as fully paid. If the option is not exercised within the time specified, the option shall lapse.

(r) Ranking of shares

The ordinary shares of Pinecone International to be allotted and issued upon the exercise of an option shall be identical to the then existing issued ordinary shares of Pinecone International and subject to all the provisions of the memorandum and articles of association of Pinecone International

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for the time being in force and will rank behind the preference shares of Pinecone International (provided that such preference shares have not been converted into ordinary shares) in issue on the date the name of the grantee is registered on the register of members of Pinecone International or if that date falls on a day when the register of members of Pinecone International is closed, the first day of the re-opening of the register of members, save that the grantee shall not have any voting rights, or rights to participate in any dividends or distributions (including those arising on a liquidation of Pinecone International) declared or recommended or resolved to be paid to the shareholders of the Company on the register on a date prior to such registration.

(s) Duration

The Pinecone Share Option Scheme II shall be valid and effective for the period of 10 years commencing on the Listing Date (after which, no further options shall be offered or granted under the Pinecone Share Option Scheme II), but in all other respects the provisions of the Pinecone Share Option Scheme II shall remain in full force and effect to the extent necessary to give effect to the exercise of any options granted prior thereto or otherwise as may be required in accordance with the provisions of the rules of the Pinecone Share Option Scheme II.

(t) Alteration of the Pinecone Share Option Scheme II

The Pinecone Board may subject to the rules of the Pinecone Share Option Scheme II amend any of the provisions of the Pinecone Share Option Scheme II (including without limitation amendments in order to comply with changes in legal or regulatory requirements and amendments in order to waive any restrictions, imposed by the provisions of the Pinecone Share Option Scheme II, which are not found in Chapter 17 of the Listing Rules) at any time (but not so as to affect adversely any rights which have accrued to any grantee at that date).

Those specific provisions of the Pinecone Share Option Scheme II which relate to the matters set out in Rule 17.03 of the [REDACTED] cannot be altered to the advantage of selected participants, and no changes to the authority of the administrator of the Pinecone Share Option Scheme II in relation to any alteration of the terms of the Pinecone Share Option Scheme II shall be made, without the prior approval of shareholders of Pinecone International, and for as long as Pinecone International is a subsidiary of our Company, the Shareholders of our Company in general meeting. Any alterations to the terms of the Pinecone Share Option Scheme II which are of a material nature, or any change to the terms and conditions of options granted, must also, to be effective, be approved by the shareholders of Pinecone International, and for as long as Pinecone International is a subsidiary of our Company, the Shareholders of our Company in general meeting and the Stock Exchange, except where the alterations take effect automatically under the existing terms of the Pinecone Share Option Scheme II. The options and the Pinecone Share Option Scheme II so altered must comply with Chapter 17 of the Listing Rules. Any change to the authority of the Directors or scheme administrators in relation to any alternation to the terms of the Pinecone Share Option Scheme II must be approved by shareholders of Pinecone International, and for as long as Pinecone International is a subsidiary of our Company, the Shareholders of our Company in general meeting.

Notwithstanding any provisions to the contrary in the Pinecone Share Option Scheme II, if on the relevant date of exercise there are restrictions or conditions imposed by the relevant laws and regulations to which the grantee is subject and the grantee has not obtained approval, exemption or waiver from the relevant regulatory authorities for the subscription of and dealing in the Pinecone

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Shares, the grantee may sell the options to such transferee, subject to the approval by the Pinecone Board, which shall not be unreasonably withheld or delayed.

(u) Termination

The shareholders of Pinecone International by ordinary resolution in general meeting or the Pinecone Board may at any time resolve to terminate the operation of the Pinecone Share Option Scheme II prior to the expiry of the Pinecone Share Option Scheme II and in such event no further options will be offered or granted but the provisions of the Pinecone Share Option Scheme II shall remain in full force to the extent necessary to give effect to the exercise of any options granted prior thereto or otherwise as may be required in accordance with the provisions of the Pinecone Share Option Scheme II. Options complying with the provisions of Chapter 17 of the Listing Rules which are granted during the life of the Pinecone Share Option Scheme II and remain unexercised and unexpired immediately prior to the termination of the operation of the Pinecone Share Option Scheme II shall continue to be valid and exercisable in accordance with their terms of issue after the termination of the Pinecone Share Option Scheme II.

Outstanding options granted

As of the Latest Practicable Date, no options under the Pinecone Share Option Scheme II had been granted.

E. OTHER INFORMATION

1. Estate Duty

Our Directors have been advised that no material liability for estate duty is likely to fall on our Company or any of our subsidiaries.

2. Litigation

Save as disclosed in this [REDACTED] and so far as our Directors are aware, no litigation or claim of material importance is pending or threatened against any member of our Group.

3. Joint Sponsors

The Joint Sponsors have made an application on our behalf to the Listing Committee for the [REDACTED] of, and permission to deal in, the Shares in issue, the Class B Shares to be issued pursuant to the [REDACTED] (including [any Shares which may be [sold] pursuant to the exercise of the [REDACTED] and] any Class B Shares to be allotted and issued upon the exercise of the options which has been granted under the Pre-[REDACTED] ESOP).

The Joint Sponsors satisfy the independence criteria applicable to sponsors set out in Rule 3A.07 of the Listing Rules. The Joint Sponsors will receive an aggregate fee of US\$150,000 for acting as the sponsor for the [REDACTED].

4. Consents of Experts

The following experts have each given and have not withdrawn their respective written consents to the issue of this [REDACTED] with copies of their reports, letters, opinions or summaries of

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opinions (as the case may be) and the references to their names included herein in the form and context in which they are respectively included.

Name	Qualification
CLSA Capital Markets Limited	A licensed corporation to conduct Type 4 (advising on securities) and Type 6 (advising on corporate finance) regulated activities under the SFO
Morgan Stanley Asia Limited	A licensed corporation to conduct Type 1 (dealing in securities), Type 4 (advising on securities), Type 5 (advising on futures contracts), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the SFO
Goldman Sachs (Asia) L.L.C.	A licensed corporation to conduct Type 1 (dealing in securities), Type 4 (advising on securities), Type 5 (advising on futures contracts), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the SFO
JunHe LLP	Qualified Lawyers as to the laws of mainland China
Maples and Calder (Hong Kong) LLP	Cayman Islands attorneys-at-law
PricewaterhouseCoopers	Certified public accountants
Shanghai iResearch Co., Ltd, China	Industry consultant
IDC Consulting (Beijing) Ltd.	Industry consultant

As of the Latest Practicable Date, save as certain affiliated entities of Goldman Sachs (Asia) L.L.C., being Pre-[REDACTED] Investors of the Company, held various Series F-1 Preferred Shares, representing less than 0.1% of the issued share capital of the Company (assuming all Preferred Shares are converted into Class B Shares on a one to one basis), none of the experts named above had any shareholding interest in our Company or any of our subsidiaries or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of our Group.

5. Binding Effect

This [REDACTED] shall have the effect, if an application is made in pursuance hereof, of rendering all persons concerned bound by all the provisions (other than the penal provisions) of sections 44A and 44B of the Companies Ordinance so far as applicable.

6. Bilingual [REDACTED]

The English language and Chinese language versions of this [REDACTED] are being published separately in reliance upon the exemption provided by section 4 of the Companies Ordinance (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong).

7. Preliminary Expenses

The Company did not incur any material preliminary expenses.

8. Other Disclaimers

- (1) Save as disclosed in this [REDACTED], within the two years immediately preceding the date of this [REDACTED]:
 - (i) no share or loan capital or debenture of our Company or any of our subsidiaries has been issued or agreed to be issued or is proposed to be issued for cash or as fully or partly paid other than in cash or otherwise;
 - (ii) no share or loan capital of our Company or any of our subsidiaries is under option or is agreed conditionally or unconditionally to be put under option; and
 - (iii) no commissions, discounts, brokerages or other special terms have been granted or agreed to be granted in connection with the issue or sale of any share or loan capital of our Company or any of our subsidiaries.
- (2) Save as disclosed in this [REDACTED]:
 - (i) there are no founder, management or deferred shares nor any debentures in our Company or any of our subsidiaries;
 - (ii) no share or loan capital or debenture of our Company or any of our subsidiaries is under option or is agreed conditionally or unconditionally to be put under option; and
 - (iii) no commissions, discounts, brokerages or other special terms have been granted in connection with the issue or sale of any share or loan capital of our Company or any of its subsidiaries by our Company for subscribing or agreeing to subscribe, or procuring or agreeing to procure subscriptions, for any shares in or debentures of our Company or any of our subsidiaries.
- (3) Save as disclosed in the paragraph headed “Further Information about our Business—Summary of Material Contracts” in this section, none of our Directors or proposed Directors or experts (as named in this [REDACTED]), have any interest, direct or indirect, in any assets which have been, within the two years immediately preceding the date of this [REDACTED], acquired or disposed of by or leased to, any member of our Group, or are proposed to be acquired or disposed of by or leased to any member of our Group.
- (4) We do not have any promoter. No cash, securities or other benefit has been paid, allotted or given nor are any proposed to be paid, allotted or given to any promoters in connection with the [REDACTED] and the related transactions described in this [REDACTED] within the two years immediately preceding the date of this [REDACTED].