EXHIBIT 4.4

SERIES A PREFERRED SHARES

SUBSCRIPTION AGREEMENT

by and among

E-house (China) Investments Holding Limited

[CHINESE CHARACTERS]

E-house Real Estate Limited

[CHINESE CHARACTERS]

Shanghai Real Estate Consultant and Sales (Group) Co., Limited

[CHINESE CHARACTERS]

Ordinary Shareholders

Founder

CHF Investment Limited

and

Other Investors

dated as of March 28, 2006

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SERIES A PREFERRED SHARES SUBSCRIPTION AGREEMENT

THIS SERIES A PREFERRED SHARES SUBSCRIPTION AGREEMENT (this "AGREEMENT") is made

as of March 28, 2006, by and among E-house (China) Investments Holding Limited

[CHINESE CHARACTERS], an exempted company with limited liability organized and

existing under the laws of the Cayman Islands (company registration

no.CR-139297) (the "COMPANY"), E-house Real Estate Limited [CHINESE CHARACTERS],

a wholly owned subsidiary of the Company and an international business company

organized and existing under the laws of the British Virgin Islands (the "BVI

SUBSIDIARY"), Shanghai Real Estate Consultant and Sales (Group) Co., Limited

[CHINESE CHARACTERS], a wholly foreign-owned enterprise established under the

laws of the PRC (the "PRC SUBSIDIARY"), the Founder listed in Part 1 of Schedule

1 attached hereto (the "FOUNDER"), each of the Ordinary Shareholders listed in

Part 2 of Schedule 1 attached hereto (each an "ORDINARY SHAREHOLDER" and

collectively, the "ORDINARY SHAREHOLDERS"), CHF Investment Limited, a limited

liability partnership organized and existing under the laws of the British

Virgin Islands ("CHF"), DLJ Real Estate Capital Partners III, L.P., a limited

liability partnership organized and existing under the laws of Delaware U.S.A

("DLJ"), RECP III Co-Investors A. L.P., a limited liability partnership

organized and existing under the laws of Delaware U.S.A. ("RECP") and other

subscribers of the Series A Preferred Shares (as defined below) listed in

Schedule 2 attached hereto (each an "INVESTOR", and collectively, the

"INVESTORS").

RECITALS

WHEREAS, the Company owns the entire registered capital of the PRC Subsidiary,

which is licensed to engage in the real estate services business in China;

WHEREAS, the Company wishes to issue to the Investors, and the Investors wish to

subscribe for, a certain number of the Series A Preferred Shares of the Company

as set forth opposite their respective names in Schedule 2 attached hereto upon

the terms and conditions of this Agreement;

WHEREAS, the Company, the Investors and the Ordinary Shareholders intend to

enter into a Shareholders Agreement dated as of the date hereof substantially in

the form attached hereto as Exhibit B;

NOW, THEREFORE, in consideration of the mutual covenants and agreements set

forth herein and for other good and valuable consideration, the receipt and

adequacy of which is hereby acknowledged, the parties hereto agree as follows:

ARTICLE 1

DEFINITIONS

1.1 Definitions

As used in this Agreement, and unless the context requires a different

meaning, the following terms have the meanings indicated:

"2005 AUDITED FINANCIAL STATEMENTS" shall have the meaning ascribed to it

in Section 3.9(a) hereof.

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"2006 AUDITED INCOME STATEMENT" shall mean the consolidated income

statement of the Group for the financial year ended December 31, 2006

audited and approved by the Auditor in conformity with IFRS.

"2006 NET EARNINGS" shall mean the US Dollar equivalent (based on the then

applicable daily USD/CNY exchange rate set by the People's Bank of China

and published by the State Administration of Foreign Exchange at

www.safe.gov.cn for the Business Day immediately prior to December 31,

2006, rounded to the nearest ten thousandth USD) of the Net Earnings (as

defined below) of the Group that is stated in Renminbi as determined from

the 2006 Audited Income Statement.

"2007 AUDITED INCOME STATEMENT" shall mean the consolidated income

statement of the Group for the financial year ended December 31, 2007

audited and approved by the Auditor in conformity with IFRS.

"2007 NET EARNINGS" shall mean the US Dollar equivalent (based on the then

applicable daily USD/CNY exchange rate set by the People's Bank of China

and published by the State Administration of Foreign Exchange at

www.safe.gov.cn for the Business Day immediately prior to December 31,

2007, rounded to the nearest ten thousandth USD) of the Net Earnings of

the Group that is stated in Renminbi as determined from the 2007 Audited

Income Statement.

"ACTUAL GROWTH RATE" shall mean the percentage of increase of the 2007 Net

Earnings over the 2006 Net Earnings, which is stipulated as (2007 Net

Earnings - 2006 Net Earnings) / 2006 Net Earnings.

"AFFILIATE" shall mean with respect to any Person, any other Person that

directly or indirectly, through one or more intermediaries, controls, is

controlled by, or under common control with the first mentioned Person.

For purposes of this definition, "CONTROL" (including with correlative

meanings, the terms "CONTROLLING", "CONTROLLED BY" and under "COMMON

CONTROL WITH") means the possession, directly or indirectly, of the power

to direct or cause the direction of the management and policies of a

Person, whether through the ownership of voting securities, by contract or

otherwise.

"AGREEMENT" shall have the meaning ascribed to it in the preamble.

"ANTICIPATED 2006 NET EARNINGS" shall mean the anticipated Net Earnings of

the Group for the financial year ended December 31, 2006, being an amount

that is US$15,000,000.

"ANTICIPATED GROWTH RATE" shall mean the anticipated percentage of

increase of the 2007 Net Earnings over the 2006 Net Earnings, being a

percentage that is fifty percent (50%).

"ARTICLES OF ASSOCIATION" shall mean the Amended and Restated Memorandum

and Articles of Association of the Company, substantially in the form

attached hereto as Exhibit A.

"ASSETS AND PROPERTIES" of any Person shall mean all assets and properties

of every kind, nature, character and description (whether real, personal

or mixed, whether tangible or intangible, whether absolute, accrued,

contingent, fixed or otherwise and wherever situated), operated, owned or

leased by such Person, including without limitation,

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goodwill, cash, cash equivalents, Investment Assets, accounts and notes

receivable, chattel paper, documents, instruments, general intangibles,

real estate, equipment, inventory, goods and Intellectual Property Rights.

"ASSOCIATE" shall mean, with respect to any Person, any corporation or

other business organization of which such Person is a senior officer,

director or partner, any trust or estate in which such Person has a

substantial beneficial interest or as to which such Person serves as a

trustee or in a similar capacity or any spouse, children, grandchildren,

parents, parents-in-law or siblings of such Person, or a trust primarily

for the benefit of any of the foregoing.

"AUDITOR" shall mean Deloitte Touche Tohmatsu, Shanghai office or any

successor auditor retained by the Company being one of the "BIG-4"

international accounting firms.

"AUTHORIZATION" shall mean any license or approval (howsoever evidenced),

registration, filing or exemption from, by or with any Governmental

Authority, and all corporate, creditors' and shareholders' approvals or

consents.

"BENEFIT PLAN" means any Plan established by the Company, the BVI

Subsidiary or the PRC Subsidiary existing at Closing Date or prior

thereto, to which the Company, the BVI Subsidiary or the PRC Subsidiary

contributes or has contributed, or under which any employee, former

employee or director of the Company or any of the BVI Subsidiary and the

PRC Subsidiary or any beneficiary thereof is covered, is eligible for

coverage or has benefit rights whether provided by the Company or any of

the BVI Subsidiary or the PRC Subsidiary or pursuant to any governmental

program, or otherwise.

"BOARD OF ARBITRATION" shall have the meaning ascribed to it in Section

10.8(a) hereof.

"BOARD OF DIRECTORS" shall mean the board of directors of the Company or

any of its Subsidiaries, as the context may require.

"BUSINESS DAY" shall mean any day other than a Saturday, Sunday or other

day on which commercial banks in China, Hong Kong or New York are

authorized or required by law or governmental order to close.

"BUSINESS OR CONDITION OF THE GROUP" shall mean the business, condition

(financial or otherwise), results of operation and Assets and Properties

of the Company and its Subsidiaries taken as a whole.

"BUSINESS PLAN" shall have the meaning ascribed to it in Section 3.9(b)

hereof.

"BVI SUBSIDIARY" shall have the meaning ascribed to it in the preamble.

"CLOSING" shall have the meaning ascribed to it in Section 2.2 hereof.

"CLOSING DATE" shall have the meaning ascribed to it in Section 2.2

hereof.

"CNY" or "RENMINBI" shall mean the lawful currency of the PRC.

"COMPANY" shall have the meaning ascribed to it in the preamble.

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"COMPANY SHARE PLAN" shall mean an employee share ownership plan to be

established by the Company pursuant to which shares will be granted out of

the Company Share Pool.

"COMPANY SHARE POOL" shall mean the pool of 3,636,364 Ordinary Shares

which shall be transferred from On Chance Inc. to certain management

personnel and employees of the Company and its Subsidiaries, including the

Management Team but excluding the Chief Financial Officer of the Company

appointed for a Qualified IPO, covering five percent (5%) of the aggregate

number of issued and outstanding shares (including Ordinary Shares and the

Series A Preferred Shares) of the Company on an as-converted and fully

diluted basis as of the Closing Date, which shall be only granted pursuant

to the Company Share Plan.

"COMPETITIVE POSITION" shall mean serving in a senior management capacity,

as an employee, consultant, advisor or otherwise, for any Person that

engages in business of real estate intermediary services anywhere in

China, including Hong Kong, Macau and Taiwan.

"CONFIDENTIAL INFORMATION" shall mean information of a confidential nature

created, discovered, prepared or otherwise developed by the Company or any

of its Subsidiaries, which is generally unavailable to the public and has

a material economic value in the business in which the Company or any of

its Subsidiaries is engaged. Such Confidential Information includes but is

not limited to, customer lists, pricing, marketing and sales strategies,

employee and consultant rosters and other business or financial

information or know-how developed by or disclosed to the Company or any of

its Subsidiaries.

"CONTINGENT OBLIGATION" shall mean as to any Person, any provision of any

security issued by such Person or of any agreement, undertaking, contract,

indenture, mortgage, deed of trust or other instrument or arrangement

(whether in writing or otherwise) to which such Person is a party or by

which it or any of such Person's property is bound.

"CONTRACTUAL OBLIGATIONS" shall have the meaning ascribed to it in Section

3.2 hereof.

"DISCLOSURE SCHEDULE" shall have the meaning ascribed to it in the first

paragraph of Article 3 hereof.

"ENVIRONMENTAL LAWS" shall mean any applicable present national,

territorial, provincial, foreign or local law, common law doctrine, rule,

order, decree, judgment, injunction or regulation relating to

environmental matters, including those pertaining to land use, air, soil,

surface water, ground water (including the protection, cleanup, removal,

remediation or damage thereof), public or employee health or safety,

together with any other laws (national, territorial, provincial, foreign

or local) relating to emissions, discharges, releases or threatened

releases of any pollutant or contaminant including without limitation,

medical, chemical, biological, biohazardous or radioactive waste and

materials, into ambient air, land, surface water, ground water, personal

property or structures.

"EXCHANGE ACT" shall mean the U.S. Securities Exchange Act of 1934, as

amended.

"FINAL OWNERSHIP" shall have the meaning ascribed to it in Section 2.5(a)

hereof.

"FOUNDER" shall have the meaning ascribed to it in the preamble.

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"GOVERNMENTAL AUTHORITY" shall mean the government of any nation, state,

province, city, locality or other political subdivision thereof, any

entity exercising executive, legislative, judicial, regulatory or

administrative functions of or pertaining to government.

"GROUP" shall mean the Company and its Subsidiaries, collectively.

"HAZARDOUS MATERIALS" shall mean any chemical pollutant, contaminant,

pesticide, petroleum or petroleum product or by-product, radioactive

substance, solid waste, special, dangerous or toxic waste, hazardous or

toxic substance, chemical or material regulated, limited or prohibited

under any Environmental Law.

"HONG KONG" shall mean the Special Administration Region of Hong Kong.

"IFRS" shall mean the International Financial Reporting Standards

promulgated by the International Accounting Standards Board (IASB) (which

includes standards and interpretations approved by the IASB and

International Accounting Principles issued under previous constitutions),

together with its pronouncements thereon from time to time, and applied on

a consistent basis.

"INDEBTEDNESS" shall mean, as to any Person, without duplication, (i) all

indebtedness (including principal, interest, fees and charges) of such

Person for borrowed money or for the deferred purchase price of property

or services, any obligation for the payment of money and any obligation

evidenced by bonds, debentures, notes or similar instruments, (ii) the

available amount of all letters of credit or obligations in respect of

bankers acceptances issued for the account of such Person and all unpaid

drawings with respect thereto, (iii) all liabilities secured by any Lien

on any property or assets owned by such Person, whether or not such

liabilities have been assumed by such Person, (iv) the aggregate amount

required to be capitalized under leases under which such Person is the

lessee, (v) all guaranties and similar undertakings to assume or pay the

Indebtedness for borrowed money of other Person, and (vi) any Contingent

Obligation of such Person incurred in respect of any Indebtedness referred

to in (i) to (v) above.

"INITIAL OWNERSHIP" shall have the meaning ascribed to it in Section 2.1

hereof.

"INTELLECTUAL PROPERTY RIGHTS" shall have the meaning ascribed to it in

Section 3.15 hereof.

"INVESTMENT ASSETS" shall mean all debentures, notes and other evidences

of Indebtedness, shares, securities (including rights to purchase and

securities convertible into or exchangeable for other securities),

interests in joint ventures and general and limited partnerships, mortgage

loans and other investment or portfolio assets owned of record or

beneficially by the Company or any Subsidiary (other than securities

issued by any Subsidiary).

"INVESTOR" or " INVESTORS" shall have the meaning ascribed to it in the

preamble.

"KNOWLEDGE OF THE COMPANY" shall mean the knowledge of the Management Team

and the Founder, obtained after due inquiries and with (i) best endeavors

with respect to the Company, the BVI Subsidiary and the PRC Subsidiary,

and (ii) reasonable endeavors with respect to all the Subsidiaries of the

Company other than the BVI Subsidiary and the PRC

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Subsidiary, on the part of the Management Team and the Founder, as the

case may be, to ensure that the same is true and correct in all material

respects. With respect to a member of the Management Team, his or her

knowledge for the purpose of this definition shall be deemed to be his or

her knowledge taking account of and having regard to the length and scope

of his or her employment or engagement with the relevant entity.

"LAWS" shall mean all laws, statutes, rules, regulations, ordinances and

other pronouncements of any Governmental Authority having the effect of

law in the PRC, the Cayman Islands, Hong Kong or any other country or

region.

"LICENSES" shall mean all licenses, permits, certificates of authority,

authorizations, approvals, registrations, franchises and similar consents

granted or issued by any Governmental Authority.

"LIEN" shall mean any mortgage, deed of trust, pledge, hypothecation,

assignment, encumbrance, lien (statutory or other), charge, claim,

restriction or preference, priority, right or other security interest or

preferential arrangement of any kind or nature whatsoever (excluding

preferred share and equity related preferences) including without

limitation, those created by, arising under or evidenced by any

conditional sale or other title retention agreement, or any financing

lease having substantially the same economic effect as any of the

foregoing.

"MANAGEMENT ACCOUNTS" shall have the meaning ascribed to it in Section

3.9(a) hereof.

"MANAGEMENT TEAM" shall mean the individuals listed on Schedule 4 attached

hereto.

"MATERIAL ADVERSE EFFECT" shall mean any (a) event, occurrence, fact,

condition, change or development that has had a material adverse effect on

the operations, results of operations, financial condition, assets or

liabilities of the Company and its Subsidiaries, either individually or

taken as a whole, or (b) material impairment of the ability of any member

of the Company and its Subsidiaries to perform their respective material

obligations hereunder or under each of the other Transaction Documents, as

applicable.

"MATERIAL CONTRACTS" shall have the meaning ascribed to it in Section 3.21

hereof.

"NET EARNINGS" shall mean the consolidated and normalized positive profit

after tax (less one-off, non-recurring and extraordinary items)

attributable to the shareholders of the Company. For the avoidance of

doubt, non-recurring items shall mean profits from activities not related

to the principal business of the Company and its Subsidiaries, including

without limitation, the profits from sales of real properties.

"ON CHANCE " shall mean On Chance Inc., an international business company

organized and existing under the laws of the British Virgin Islands.

"ORDINARY SHAREHOLDERS" shall have the meaning ascribed to it in the

preamble.

"ORDINARY SHARES" shall mean the Company's ordinary shares, par value

US$0.001 per share.

"OUTSTANDING BORROWINGS" shall mean all Indebtedness of the Company and

its Subsidiaries for money borrowed that is outstanding at the relevant

time of determination.

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"OWNERSHIP" of any person at any time means the percentage owned by such

person of all Ordinary Shares in issue at such time on a fully diluted and

as converted basis, assuming the exercise, conversion or exchange of all

options, warrants and other securities exercisable for or convertible or

exchangeable into Ordinary Shares (including without limitation the

conversion of all Series A Preferred Shares), regardless of whether such

options, warrants or other securities are currently exercisable,

convertible or exchangeable at such time.

"PERMITTED TRANSFEREE" shall have the meaning ascribed to it in the

Shareholders Agreement.

"PERSON" shall mean any individual, firm, corporation, limited liability

company, partnership, trust, incorporated or unincorporated association,

joint venture, joint stock company, Governmental Authority or other entity

of any kind, and shall include any successor (by merger or otherwise) of

such entity.

"PLAN" shall mean any bonus, incentive compensation, employment, deferred

compensation, pension, profit sharing, retirement, share purchase, share

option, share ownership, share appreciation rights, phantom share, leave

of absence, layoff, vacation, day or dependent care, legal services,

cafeteria, life, health, accident, disability, workmen's compensation or

other insurance, severance, change of control separation or other employee

benefit plan, practice, policy, agreement or arrangement of any kind,

whether written or oral, and whether or not required by applicable law.

"PRC" and/or "CHINA" shall mean the People's Republic of China, and for

purpose of this Agreement, does not include Taiwan and the Special

Administration Regions of Hong Kong and Macau.

"PRC GAAP" shall mean the generally accepted accounting principles of the

PRC in effect from time to time and applied on a consistent basis.

"PRC SUBSIDIARY" shall have the meaning ascribed to it in the preamble.

"PROJECTIONS" shall have the meaning ascribed to it in Section 3.9(b)

hereof.

"QUALIFIED IPO" shall have the meaning ascribed to it in the Shareholders

Agreement.

"RED CHIP FINANCING PLAN" shall mean a red chip financing plan

substantially in the form attached hereto as Exhibit G.

"REGISTERED INTELLECTUAL PROPERTY RIGHTS" shall have the meaning ascribed

to in Section 3.15 hereof.

"REGISTRATION RIGHTS AGREEMENT" shall mean the Registration Rights

Agreement substantially in the form attached hereto as Exhibit C.

"SECURITIES ACT" shall mean the U.S. Securities Act of 1933, as amended.

"SERIES A PREFERRED SHARES" shall mean the convertible redeemable

participating series A preferred shares, par value US$ 0.001 per share, of

the Company.

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"SHAREHOLDERS AGREEMENT" shall mean the Shareholders Agreement

substantially in the form attached hereto as Exhibit B.

"SUBSCRIPTION PRICE" shall have the meaning ascribed to it in Section 2.1

hereof.

"SMART CREATE" shall mean Smart Create Group Limited, an international

business company organized and existing under the laws of the British

Virgin Islands.

"SUBSIDIARY" shall mean, with respect to any Person, a corporation or

other entity of which 50% or more of the voting power of the voting equity

securities or equity interest is owned, directly or indirectly, by such

Person. Unless otherwise qualified, all references to a "SUBSIDIARY" or to

"SUBSIDIARIES" in this Agreement shall refer to a Subsidiary or

Subsidiaries of the Company.

"TAX" shall mean any federal, state, national, provincial, territorial,

local or foreign income, gross receipts, royalty, payroll, employment,

excise, severance, stamp, occupation, premium, windfall profits,

environmental, customs duties, equity capital, franchise profits,

withholding, social security (or similar), unemployment, disability, real

property, personal property, sales, use, transfer, registration, value

added, alternative or add-on-minimum, estimated, or other tax of any kind

whatsoever, including any interest, penalty, or addition thereto, whether

disputed or not.

"TAX RETURNS" shall mean any return, declaration, report, claim for

refund, or information return or statement relating to Taxes, including

any schedule or attachment thereto, and including any amendment thereof.

"TRANSACTION DOCUMENTS" shall mean, collectively, this Agreement, the

Shareholders Agreement, the Registration Rights Agreement and the Articles

of Association.

"USD", "US DOLLAR" or "US$" shall mean the lawful currency of the United

States of America.

1.2 Accounting Terms

All accounting terms used herein and not expressly defined in this

Agreement shall have the respective meanings given to them in accordance

with IFRS. Financial statements and other accounting information furnished

pursuant to this Agreement or other Transaction Documents shall be

prepared in accordance with IFRS as in effect at the time of such

preparation.

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ARTICLE 2

SUBSCRIPTION FOR SERIES A PREFERRED SHARES

2.1 Subscription for Series A Preferred Shares; Subscription Price Subject to

the terms and conditions set forth herein, the Company will issue to the

Investors, and the Investors agree that they will subscribe for, the

number of Series A Preferred Shares set forth opposite each Investor's

name in Schedule 2 attached hereto. The obligations of the Investors with

respect to the subscription, including the obligation to pay the

Subscription Price, are several and not joint. The Series A Preferred

Shares shall have the powers, rights and preferences set forth in the

Shareholders Agreement to be executed by the parties thereto as soon as

practicable after the date hereof (and, in any event, on or prior to the

Closing) and/or the Articles of Association to be adopted at the general

meeting of the Company to be held or by the requisite written consent to

be obtained as soon as practicable after the date hereof (and, in any

event, on or prior to the Closing). The aggregate subscription price for

the Series A Preferred Shares shall be US$24,999,999.20 ("SUBSCRIPTION

PRICE"). The price per Series A Preferred Share at which the Series A

Preferred Shares are subscribed for by the Investors shall be US$1.10, and

the total number of Series A Preferred Shares to be subscribed for by the

Investors shall be 22,727,272 shares, representing a 31.25% Ownership in

the Company immediately after the Closing (the "INITIAL OWNERSHIP").

Unless otherwise provided in this Agreement, Ownership of the Investors

shall mean the total ownership held by the Investors.

2.2 Closing

The purchase and sale of the Series A Preferred Shares shall take place at

a closing (the "CLOSING") to be held at the offices of Jones Day, 31st

Floor, Edinburgh Tower, The Landmark, 15 Queen's Road Central, Hong Kong,

on April 11, 2006, New York time, or at such other time and place as the

Company and the Investors may agree upon in writing (the "CLOSING DATE"),

subject to the satisfaction or waiver of the conditions set forth in

Articles 5 and 6 hereof.

2.3 Payment of Subscription Price

Payment of the Subscription Price shall be made to the Company on the

Closing Date by the Investors by delivery to the Company of (i) wire

transfer in immediately available funds to such account as designed by the

Company at least ten (10) Business Days prior to the Closing Date to the

Investors in writing, or (ii) cancellation of indebtedness as contemplated

under the Red Chip Financing Plan (as defined hereafter)

2.4 Closing Deliveries

At the Closing, subject to the terms and conditions of this Agreement, the

Company will deliver to the Investors (a) a copy of the certificate

representing the Series A Preferred Shares issued at the Closing to each

Investor against payment of the corresponding portion of the Subscription

Price by such Investor, (b) a copy of the register of directors certified

by a director of the Company evidencing the appointment of the directors

nominated by the Investors, and (c) a copy of the register of members duly

certified by a director of the Company evidencing the names of the

Investors and the number of Series A Preferred Shares subscribed by the

Investors under this Agreement.

2.5 Ownership Adjustment

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(a) If the 2006 Net Earnings are less than the Anticipated 2006 Net Earnings,

the final aggregate Ownership of the Investors in the Company after the

adjustment is made pursuant to this Section 2.5, if any (the "FINAL

OWNERSHIP"), shall remain unchanged as the Initial Ownership of the

Investors in the Company.

(b) If the 2006 Net Earnings are equal to or more than the Anticipated 2006

Net Earnings:

(i) In the event (A) the Actual Growth Rate is less than 25% and (B) a

Qualified IPO of the Company has not been completed prior to

December 31, 2007, the Final Ownership of the Investors shall remain

unchanged as the Initial Ownership of the Investors in the Company.

(ii) In the event (A) the Actual Growth Rate is more than 25% but less

than the Anticipated Growth Rate and (B) a Qualified IPO of the

Company has not been completed prior to December 31, 2007, the Final

Ownership of the Investors shall be adjusted in accordance with the

following formula within twenty (20) Business Days following the

issue of the 2007 Audited Income Statement:

FO=SP / AV1

The adjustment of the Final Ownership as contemplated herein shall

be effected by adjusting the Conversion Rate (as defined in the

Articles of Association) of the Series A Preferred Shares in

accordance with the following formula within twenty (20) Business

Days following the issue of the 2007 Audited Income Statement:

CR1=TP x (AV1-SP) / (SP x OS)

For purposes of this Section 2.5(b)(ii), (1) FO shall mean the Final

Ownership, as adjusted pursuant to this Section 2.5; (2) SP shall

mean the Subscription Price paid by the Investors at Closing; (3)

AV1 shall mean the adjusted valuation of the Company, which shall be

the lesser of US$120,000,000 or the product of (X) the sum of 6

times of the 2006 Net Earnings and 6 times of the 2007 Net Earnings

divided by (Y) 2.5; (4) OS shall mean the total number of Ordinary

Shares held by the Ordinary Shareholders at Closing; (5) TP shall

mean the total number of Series A Preferred Shares held by the

Series A Preferred Shareholders at Closing; and (6) CR1 shall mean

the effective Conversion Rate of the Series A Preferred Shares at

which the Series A Preferred Shares are converted into Ordinary

Shares.

Not withstanding anything contained herein to the contrary, in the

event AV1 as determined hereof is less than US$90,000,000, the Final

Ownership of the Investors shall remain unchanged as the Initial

Ownership of the Investors in the Company, and the Conversion Rate

of the Series A Preferred Shares will remain the same as the initial

Conversion Rate.

(iii) In the event a Qualified IPO of the Company has been completed on or

prior to December 31, 2007, the Final Ownership of the Investors

shall be adjusted in accordance with the following formula:

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FO = SP / AV2

The adjustment of the Final Ownership as contemplated herein shall

be effected by adjusting the Conversion Rate of the Series A

Preferred Shares in accordance with the following formula:

CR2=TP x (AV2-SP) / (SP x OS)

For purposes of this Section 2.5(b)(iii), (1) FO shall mean the

Final Ownership, as adjusted pursuant to this Section 2.5; (2) SP

shall mean the Subscription Price paid by the Investors at Closing;

(3) AV2 shall mean the adjusted valuation of the Company, which

shall be the lesser of US$120,000,000 or 6 times of the 2006 Net

Earnings; (4) OS shall mean the total number of Ordinary Shares held

by the Ordinary Shareholders at Closing; (5) TP shall mean the total

number of Series A Preferred Shares held by the Series A Preferred

Shareholders at Closing; and (6) CR2 shall mean the effective

Conversion Rate of the Series A Preferred Shares at which the Series

A Preferred Shares are automatically converted into Ordinary Shares

upon the closing of the Qualified IPO of the Company, provided,

however, the Conversion Rate of the Series A Preferred Shares shall

remain unchanged as the initial Conversion Rate if the Qualified IPO

of the Company does not complete by December 31, 2007.

(iv) In the event a Qualified IPO of the Company has been completed

between January 1, 2008 and the date the 2007 Audited Income

Statement is issued by the Auditor, the Final Ownership of the

Investors shall be adjusted in accordance with the formula set forth

in Section 2.5(b)(iii) above upon the closing of the Qualified IPO

of the Company.

The adjustment of the Final Ownership as contemplated herein shall

be effected by adjusting the Conversion Rate of the Series A

Preferred Shares in accordance with the formula set forth in Section

2.5(b)(iii) above.

(c) If (i) the 2006 Net Earnings are equal to or more than the Anticipated

2006 Net Earnings, but (ii) a Qualified IPO of the Company has not been

completed prior to the date the 2007 Audited Income Statement is issued by

the Auditor, in the event the Actual Growth Rate is equal or more than the

Anticipated Growth Rate, the Final Ownership of the Investors shall be

adjusted in accordance with the formula set forth in Section 2.5(b)(ii)

above within twenty (20) Business Days following the issue of the 2007

Audited Income Statement.

The adjustment of the Final Ownership as contemplated herein shall be

effected by adjusting the Conversion Rate of the Series A Preferred Shares

in accordance with the formula set forth in Section 2.5(b)(ii) above

within twenty (20) Business Days following the issue of the 2007 Audited

Income Statement.

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ARTICLE 3

REPRESENTATIONS AND WARRANTIES OF COMPANY, BVI SUBSIDIARY, PRC

SUBSIDIARY AND ORDINARY SHAREHOLDERS

Subject to such exceptions as may be specifically set forth in the

disclosure schedule attached to this Agreement as Schedule 6 (the

"DISCLOSURE SCHEDULE"), each of the Company, the BVI Subsidiary, the PRC

Subsidiary and the Ordinary Shareholders (other than Smart Create) hereby,

jointly and severally, and Smart Create, severally but not jointly, with

respect to Section 3.1, 3.2, 3.3, 3.4, 3.5, 3.6 and 3.19(a) only,

represents and warrants to the Investors as set forth below as of the date

of this Agreement and as of the Closing Date (except for representations

and warranties made as of a specified date). The section numbers and

letters of the Disclosure Schedule correspond to the section numbers and

letters of this Agreement and the disclosures in any section of the

Disclosure Schedule shall qualify the corresponding section in this

Article 3.

Notwithstanding anything contained herein to the contrary, the

representations and warranties under this Article 3 with respect to the

Subsidiaries of the Company other than the BVI Subsidiary and the PRC

Subsidiary are made on the basis that breach of such representations or

warranties would not cause a Material Adverse Effect to the Business or

Condition of the Group.

3.1 Corporate Organization, Existence and Power

The Company, each of its Subsidiaries and each of the Ordinary

Shareholders: (a) is a corporation duly organized, validly existing

and in good standing under the laws of the jurisdiction of its

incorporation; (b) has all requisite corporate power and authority

to carry on its business as now conducted; (c) is duly qualified,

licensed and in good standing under the laws of each jurisdiction

where its ownership, lease or operation of property or the conduct

of its business requires such qualification; and (d) has the

corporate power and authority to execute, deliver and perform its

obligations under this Agreement and each of the other Transaction

Documents to which it is a party upon the adoption of the Articles

of Association on or prior to the Closing Date. The constitutional

documents and related certificates of the Company and each of its

Subsidiaries are valid and have been duly approved or issued (as

applicable) by competent Governmental Authorities of the relevant

jurisdictions. Section 3.1 of the Disclosure Schedule contains a

true, complete and correct list of the Company, each Subsidiary and

each Ordinary Shareholder, its directors and shareholders, its

jurisdiction of incorporation and each jurisdiction where its

ownership, lease or operation of property or the conduct of its

business would require it to be qualified to do business. Without

limiting the generality of the foregoing representations and

warranties and except as disclosed in Section 3.1 of the Disclosure

Schedule, the Company was formed solely to form and hold all the

equity interest in the PRC Subsidiary and since its formation has

not engaged in any business and has not incurred any liability other

than in the course of forming and holding its equity interest in the

PRC Subsidiary.

3.2 Corporate Authorization; No Conflicts

The execution, delivery and performance by the Company, the BVI

Subsidiary, the PRC Subsidiary and each of the Ordinary Shareholders

of this Agreement and each of the other Transaction Documents to

which they are or will be parties and the consummation of the

transactions contemplated hereby and thereby, including without

limitation, the issuance of the Series A Preferred Shares: (a) have

been (in the case of this Agreement) and will be

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(in the case of the other Transaction Documents) duly authorized by all

necessary corporate, and if required, shareholder action on or prior to

the Closing Date; (b) do not conflict with the terms of its articles of

association or similar constitutive documents (as applicable), or any

amendment thereof or any Laws applicable to the Company, its Subsidiaries

or any of the Ordinary Shareholders or their assets, business or

properties as of the Closing Date; (c) do not (i) conflict with,

contravene, result in any violation or breach of or default under (with or

without the giving of notice or the lapse of time or both), (ii) create in

any other Person a right or claim of termination or amendment under, or

(iii) require modification, acceleration or cancellation of any provision

of any security issued by such Person in any agreement, undertaking,

contract, indenture, mortgage, deed of trust or other instrument or

arrangement (whether in writing or otherwise) to which such Person or its

property is bound, or any amendment of any of the foregoing (collectively,

"CONTRACTUAL OBLIGATIONS"); and (d) do not result in the creation of any

Lien against any property, asset or business of the Company or any of its

Subsidiaries or any of the Ordinary Shareholders or the suspension,

revocation, impairment, forfeiture or non renewal of any permit, license,

authorization or approval applicable to the Company or any of its

Subsidiaries or any of the Ordinary Shareholders, or their businesses or

operations or any of their assets or properties.

3.3 Governmental Authorization

To the Knowledge of the Company and except as disclosed in Section 3.3 of

the Disclosure Schedule, no other approval, consent, compliance,

exemption, authorization, or other action by, or notice to, or filing

with, any Governmental Authority in respect of any Law (in any

jurisdiction in which the Company or its Subsidiaries or the Ordinary

Shareholders operate, are organized or licensed to do business) or

Contractual Obligation, and no lapse of a waiting period under any Law (in

any jurisdiction in which the Company or its Subsidiaries or the Ordinary

Shareholders operate, are organized or licensed to do business) or

Contractual Obligation is necessary or required in connection with the

execution, delivery or performance by (including without limitation, the

issuance of Ordinary Shares upon the conversion of the Series A Preferred

Shares) the Company, the BVI Subsidiary, the PRC Subsidiary and the

Ordinary Shareholders of this Agreement and the other Transaction

Documents to which it is or will be a party or the consummation of the

transactions contemplated hereby or thereby.

3.4 Binding Effect; Enforceability

This Agreement has been, and each of the other Transaction Documents to

which the Company, the BVI Subsidiary, the PRC Subsidiary or the Ordinary

Shareholders will be a party shall be, duly executed and delivered by the

Company, the BVI Subsidiary, the PRC Subsidiary and the Ordinary

Shareholders, and this Agreement constitutes, and such other Transaction

Documents will constitute, the legal, valid and binding obligations of the

Company, the BVI Subsidiary, the PRC Subsidiary and the Ordinary

Shareholders (as applicable) enforceable against the Company, the BVI

Subsidiary, the PRC Subsidiary and the Ordinary Shareholders (as

applicable) in accordance with their respective terms, except as

enforceability may be limited by applicable bankruptcy, insolvency or

other similar laws affecting the enforcement of creditors' rights

generally and by general principles of equity relating to enforceability.

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3.5 No Legal Bar

Except as disclosed in Section 3.5 of the Disclosure Schedule, neither the

execution, delivery and performance of this Agreement and the other

Transaction Documents, nor the issuance of or performance of the terms of

the Series A Preferred Shares violates any Law currently in force in any

jurisdiction in which the Company or its Subsidiaries or the Ordinary

Shareholders operate, are organized or licensed to do business.

3.6 Litigation

To the Knowledge of the Company and except as disclosed in Section 3.6 of

the Disclosure Schedule, there are no legal actions, suits, proceedings or

claims pending in any jurisdiction in which the Company or its

Subsidiaries or the Ordinary Shareholders operate, are organized or

licensed to do business, or, to the Knowledge of the Company, threatened,

at law, in equity, in arbitration or before any governmental entity or

authority against or affecting the Business or Condition of the Group, or

any of the Ordinary Shareholders, and, to the Knowledge of the Company,

there are no facts or circumstances in existence that would give rise to

the same except those that would not be reasonable expected to have a

Material Adverse Effect on the Business or Condition of the Group. No

injunction, writ, temporary restraining order, decree or any order of any

nature has been issued by any court or other Governmental Authority

purporting to enjoin or restrain the execution, delivery or performance of

this Agreement or the other Transaction Documents. Except as disclosed in

Section 3.6 of the Disclosure Schedule, the Company and its Subsidiaries

have not commenced and do not currently intend to initiate any legal

action, suit, proceeding or claim.

The Founder is not involved, or has during the previous two years ending

on the date of this Agreement been involved in any litigation in any

jurisdiction, including without limitation, any civil, criminal,

arbitration, administrative or bankruptcy proceedings. There are no such

proceedings in any jurisdiction pending or threatened by or against any of

the Founder.

3.7 Compliance with Laws

To the Knowledge of the Company and except as disclosed in Section 3.7 of

the Disclosure Schedule, the Company and all of its Subsidiaries are not

in violation of any applicable Laws of any jurisdiction in which the

Company or its Subsidiaries conduct their business or own Assets and

Properties, of which the violation would cause a Material Adverse Effect

to the Business or Condition of the Group.

3.8 Governmental Licenses

To the Knowledge of the Company, all Licenses with the Governmental

Authorities of relevant jurisdictions required by applicable Laws in

respect of the Company and each of its Subsidiaries and their operations,

including but not limited to the registrations with the Ministry of

Commerce, the State Administration of Industry and Commerce, the State

Administration for Foreign Exchange, tax bureau and customs authorities

have been duly obtained in accordance with the relevant rules and

regulations, except for those the failure of obtaining would not cause a

Material Adverse Effect to the Business or Condition of the

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Group. Section 3.8 of the Disclosure Schedule contains a true, complete

and correct list of all material Licenses used in the business or

operations of the Company or any of its Subsidiaries, setting forth the

owner, the function and the expiration and renewal date of each. Prior to

the execution of this Agreement, the Company has delivered to the

Investors true and complete copies of all such Licenses.

(a) The Company and each of its Subsidiaries validly holds all Licenses that

are necessary to conduct its business and to operate its Assets and

Properties under the current applicable Laws of the relevant

jurisdiction(s);

(b) Each License listed in Section 3.8 of the Disclosure Schedule is valid,

binding and in full force and effect;

(c) In respect of any Licenses required for the conduct of any part of the

business of the Company or any of its Subsidiaries which are subject to

periodic renewal, neither the Company nor any of its Subsidiaries has any

reason to believe that such requisite renewals will not be timely granted

by the relevant Government Authorities; and

(d) The Company and each of its Subsidiaries have been conducting and will

conduct their business activities within the permitted scope of business

outlined in the Licenses or are otherwise operating their business in

compliance with all relevant published legal requirements and with all

requisite Authorizations granted by competent Government Authorities.

To the Knowledge of the Company and except as disclosed in Section 3.8 of the

Disclosure Schedule, neither the Company nor any of its Subsidiaries is in

default, or has received any notice notifying revocation of any such License for

noncompliance or the need for compliance or remedial actions under any such

License listed in Section 3.8 of the Disclosure Schedule.

3.9 Financial Statements

(a) The Company has made available to the Investors true, complete and correct

copies of the following:

(i) the balance sheet of the PRC Subsidiary as of December 31, 2005 and

the related statements of income, cash flow and changes in

shareholders' equity, together with the notes thereto, audited and

approved by the Auditors (the "2005 AUDITED FINANCIAL STATEMENTS")

(ii) the management profit and loss accounts of the PRC Subsidiary for

the months ended January 31, 2006 and February 28, 2006 (the

"MANAGEMENT ACCOUNTS"); and

(iii) the profit and loss accounts and balance sheets of the Company as of

December 31, 2005 and for the two months ended January 31, 2006 and

February 28, 2006.

The 2005 Audited Financial Statements fairly present, on a consolidated

basis, the financial position of the PRC Subsidiary, as of the respective

dates thereof, and the results of operations and cash flows of the PRC

Subsidiary on a consolidated basis as of the respective dates or for the

respective periods set forth therein in conformity with IFRS.

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The Management Accounts were prepared by the PRC Subsidiary in good faith

in a manner materially consistent with past practice. As of the dates of

the 2005 Audited Financial Statements, the PRC Subsidiary had no

obligation, indebtedness or liability, which was required under IFRS to be

reflected or reserved against, but was not reflected or reserved against

in the balance sheets or the notes thereto which are part of the 2005

Audited Financial Statements. Except as disclosed in Section 3.9 of the

Disclosure Schedule, neither the Company nor any of its Subsidiaries is a

guarantor or indemnitor of any Indebtedness of any Person. Each of the PRC

Subsidiary and other Subsidiaries of the Company maintains a standard

system of accounting established and administered in accordance with PRC

GAAP.

(b) Projections and Business Plan. A copy of the business plan dated March 19,

2006 (the "BUSINESS PLAN") and the projections dated March 19, 2006 (the

"PROJECTIONS") of the Company and its Subsidiaries, as updated in writing

by the Company and delivered to the Investors prior to the Closing Date is

set forth in Section 3.9(b) of the Disclosure Schedule. The Business Plan

and the Projections were prepared by the Company in good faith in the

ordinary course of its operations consistent with past practice and on a

best-effort basis after careful examination and due consideration of all

relevant factors. The Projections are the most current projections

prepared by the Company relating to the periods covered thereby, and are

based on assumptions which were reasonable when made and such assumptions

and projections are reasonable on the date hereof. The Business Plan does

not contain any untrue statement of material fact or omit to state a

material fact necessary in order to make the statements contained therein,

in light of the circumstances under which they were made, not misleading.

The Company has not delivered to any person outside the Company any later

dated business plans or projections.

3.10 Absence of Certain Changes or Events

To the Knowledge of the Company and except as disclosed in Section 3.10 of

the Disclosure Schedule, since February 28, 2006, there has not been any

material changes in the assets, liabilities, financial condition or

operating results of the Company and its Subsidiaries, individually or

taken as a whole, that have had a Material Adverse Effect on the Business

or Condition of the Group, or would reasonably be expected to prevent the

Company or its Subsidiaries from consummating the transactions

contemplated under this Agreement and the other Transaction Documents.

3.11 Taxes

(a) Except as disclosed in Section 3.11(a) of the Disclosure Schedule, each of

the Company and its Subsidiaries has filed all Tax Returns it was required

to file. All such Tax Returns are true, correct and complete in all

material respects. All Taxes due and owed by the Company and its

Subsidiaries (whether or not shown on any Tax Return) have been paid,

except where the failure to make such payment would not cause a Material

Adverse Effect to the Business or Condition of the Group. Neither the

Company nor its Subsidiaries currently is the beneficiary of any extension

of time within which to file any Tax Return. To the Knowledge of the

Company, except as disclosed in Section 3.11(a) of the Disclosure

Schedule, no claim has ever been made by a Governmental Authority in a

jurisdiction where the Company or its Subsidiaries does not file Tax

Returns that the

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Company or its Subsidiaries is or may be subject to taxation by that

jurisdiction. Except as disclosed in Section 3.11(a) of the Disclosure

Schedule, there are no Liens on any of the Assets and Properties of the

Company or its Subsidiaries that arose in connection with any failure (or

alleged failure) to pay any Tax. To the Knowledge of the Company, each of

the Company and its Subsidiaries has withheld and paid all Taxes required

by applicable Laws to have been withheld and paid in connection with

amounts paid or owing to any employees except where the failure to make

such payment would not cause a Material Adverse Effect to the Business or

Condition of the Group. Neither the Company nor any of its Subsidiaries

has knowingly waived any statute of limitations in respect of Taxes or

agreed to any extension of time with respect to a Tax assessment or

deficiency.

3.12 Capitalization; Shareholders List

(a) As of the date hereof, before giving effect to the transactions

contemplated hereby, the authorized share capital of the Company consists

of 50,000 Ordinary Shares, all of which are issued and outstanding. Part 1

of Schedule 2 provides a true, complete and correct list as of the date

hereof, before giving effect to the transactions contemplated hereby and

by the other Transaction Documents, of (A) all shareholders owning issued

and outstanding shares of the Company, together with the number held by

each, and (B) all of the holders of warrants, options, rights and

securities convertible into equity capital, together with the number of

shares of equity capital to be issued upon the exercise or conversion of

such warrants, options, rights and convertible securities. As of the

Closing Date, after giving effect to the transactions contemplated hereby

and in the other Transaction Documents, there will be: (i) 80,000,000

authorized shares, which consist of (i) 22,727,272 Series A Preferred

Shares, all of which are issued and outstanding; and (ii) 57,272,728

Ordinary Shares, of which 50,000,000 shares are issued and outstanding,

including 3,636,364 Ordinary Shares to be transferred to the Company Share

Pool. All outstanding shares of equity capital of the Company have been

duly authorized by all necessary shareholder and other corporate action,

and all outstanding shares of equity capital of the Company are, and the

Series A Preferred Shares and the Ordinary Shares issuable hereunder or

pursuant to the other Transaction Documents upon conversion of the Series

A Preferred Shares, when issued, will be validly issued, fully paid and

nonassessable and shall be free and clear of all Liens and the issuance of

the foregoing has not been or will not be, as the case may be, subject to

preemptive rights in favor of any Person nor subject to the consent or

approval of any Person or under any Law and will not result in the

issuance of any additional shares of equity capital of the Company or the

triggering of any anti-dilution or similar rights contained in any

options, warrants, debentures or other securities or agreements of the

Company. Part 2 of Schedule 2 provides a true, complete and correct list

as of the Closing Date, after giving effect to the transactions

contemplated hereby and the other Transaction Documents of (A) all

shareholders owning the issued and outstanding shares of the Company,

together with the number held by each, and (B) all of the holders of

warrants, options, rights and securities convertible into equity capital,

together with the number of shares of equity capital to be issued upon the

exercise or conversion of such warrants, options, rights and convertible

securities.

(b) As of the Closing Date, except for the Series A Preferred Shares, there

will be no outstanding securities convertible into or exchangeable for

equity capital of the Company or options, warrants or other rights to

purchase or subscribe to equity capital of the

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Company or contracts, commitments, agreements, understandings or

arrangements of any kind to which the Company is a party relating to the

issuance of any equity capital of the Company, any such convertible or

exchangeable securities or any such options, warrants or rights.

3.13 Subsidiaries

(a) Section 3.13 of the Disclosure Schedule contains a true, complete and

correct list of the shareholding structure of each Subsidiary, including

the amount of its share capital or registered capital or other equity

capital, and the ownership of each shareholder thereof. All of the

outstanding shares or registered capital or other equity capital in the

Subsidiaries is duly authorized, validly issued, fully paid and

nonassessable. All of the outstanding shares or registered capital of, or

other ownership interest in each of the Subsidiaries is owned by the

Company, the BVI Subsidiary, the PRC Subsidiary, or its respective

shareholders, as disclosed in Section 3.13 of the Disclosure Schedule,

free and clear of any Liens. No Subsidiary has outstanding options,

warrants, subscriptions, calls, rights, convertible securities or other

agreements or commitments obligating the Subsidiary to issue, transfer or

sell any securities of the Subsidiary. Except as disclosed in Section

3.13(a) of the Disclosure Schedule, none of the Subsidiaries own, of

record or beneficially, any direct or indirect equity or other interest in

any other company, partnership, joint venture or other non-corporate

business enterprise.

(b) Except as disclosed in Section 3.13(b) of the Disclosure Schedule and

except for the Subsidiaries of the Company, the Company does not own of

record or beneficially, directly or indirectly, (i) any shares of

outstanding equity capital or securities convertible into equity capital

of any other corporation, or (ii) any equity, voting or participating

interest in any limited liability company, partnership, joint venture or

other non-corporate business enterprises.

3.14 Property and Assets

(a) To the Knowledge of the Company, Part 1 of Section 3.14(a) of the

Disclosure Schedule contains a true, complete and correct list of all real

property owned by the Company and its Subsidiaries. The Company and its

Subsidiaries have good and marketable title in and to all real property

reflected on Part 1 of Section 3.14(a) of the Disclosure Schedule, free

and clear of all Liens, liabilities, rights or encumbrances, except such

Liens or encumbrances that arise in the ordinary course of business and do

not materially impair the ownership or use of such property or assets by

the Company or its Subsidiaries, as the case may be. Part 2 of Section

3.14(a) of the Disclosure Schedule contains a true, complete and correct

list of all real property leases used by the Company and its Subsidiaries.

The Company and its Subsidiaries hold all of the rights, titles and

interests of the tenant under the leases reflected on Part 2 of Section

3.14(a) of the Disclosure Schedule, free and clear of all Liens,

liabilities and rights. Except as disclosed in Section 3.14(a) of the

Disclosure Schedule, the Company and/or its Subsidiaries have good title

to all properties used in connection with their respective businesses,

free and clear of all Liens, liabilities and rights.

(b) To the Knowledge of the Company, the owned and leased real properties

reflected on the Disclosure Schedule have been used and operated by the

Company and its Subsidiaries in

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compliance and conformity with all Contractual Obligations and applicable

Laws, except to the extent that the failure so to comply would not,

individually or in the aggregate, cause a Material Adverse Effect to the

Business or Condition of the Group. Each lease relating to leased real

property reflected on the Disclosure Schedule or used in connection with

the business of the Company and its Subsidiaries, is in full force and

effect and the Company or any of its Subsidiaries enjoy peaceful and

undisturbed possession thereunder. There is no default on the part of the

Company and its Subsidiaries and there is no event or condition which

(with notice or lapse of time, or both) would constitute a default on the

part of the Company or any of its Subsidiaries under any such lease. There

is no pending or, to the Knowledge of the Company, threatened condemnation

or imminent proceedings that would affect any part of the real property or

the leased property reflected on the Disclosure Schedule or used in

connection with the business of the Company and its Subsidiaries. There

are no actions, suits or proceedings pending or, to the Knowledge of the

Company, threatened against the real property or the leased property on

the Disclosure Schedule or used in connection with the business of the

Company and its Subsidiaries, at law or in equity, before any national,

municipal or other governmental department, commission, board, bureau,

agency or instrumentality which would in any way affect title to such real

property or leased property.

3.15 Intellectual Property Rights

(a) To the Knowledge of the Company, Part 1 of Section 3.15(a) of the

Disclosure Schedule contains a true, complete and correct list of all

patents, patent applications, registered trademarks, trademark

registration applications, registered service marks, trade names,

registered copyrights, copyright registration applications, domain names

and licenses (collectively, the "REGISTERED INTELLECTUAL PROPERTY RIGHTS")

owned or, listed separately, licensed to or by the Company or any of its

Subsidiaries by or to third parties (other than shrink-wrap or standard

licenses for commercially available software) and used in the conduct of

the business of the Company and its Subsidiaries. To the Knowledge of the

Company, except as disclosed in Section 3.15(a) of the Disclosure

Schedule, each of the Company and its Subsidiaries owns or has a valid and

binding license to use or otherwise have the right to use all patents,

trademarks, service marks, trade names, copyrights, rights in software,

domain names, know-how, rights in design and inventions, licenses and

other intellectual property rights (the "INTELLECTUAL PROPERTY RIGHTS")

necessary for its conduct of the business.

(b) To the Knowledge of the Company, no Intellectual Property Right in any

product, service, process, method, substance or other material presently

produced by, sold by or employed by the Company or any of its

Subsidiaries, or in a product design which has been substantially

completed by the Company or any of its Subsidiaries, infringes upon

Intellectual Property Rights that are owned by others.

(c) Except as disclosed in Section 3.15(c) of the Disclosure Schedule, no

litigation is pending and, to the Knowledge of the Company, no claim has

been made against the Company or any of its Subsidiaries or is threatened,

contesting the right of the Company or any of its Subsidiaries to sell or

use any Intellectual Property Right or product, service, process, method,

substance or other material presently sold by or employed by the Company

or any of its Subsidiaries. Neither the Company nor any of its

Subsidiaries have asserted any

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claim of infringement, misappropriation or misuse by any Person of any

Intellectual Property Rights owned or used by the Company or any of its

Subsidiaries in the conduct of their business.

(d) Except as disclosed in Section 3.15(d) of the Disclosure Schedule, all

material inventions, know-how and all other materials subject to the

Intellectual Property Rights that are conceived by employees of the

Company or its Subsidiaries and related to the conduct of the business of

the Company or its Subsidiaries are "works for hire", and all right, title

and interest therein have been transferred and assigned to the Company or

its Subsidiaries. The Company and each of its Subsidiaries have taken all

commercially reasonable measures to protect and preserve the security,

confidentiality and value of all Intellectual Property Rights owned by the

Company or any of its Subsidiaries and used in the conduct of the business

of the Company and its Subsidiaries, including trade secrets, know-how and

other confidential information.

(e) To the Knowledge of the Company, except as disclosed in Section 3.15(e) of

the Disclosure Schedule, in respect of Intellectual Property Rights which

are material to the operation of the business of the Company and its

Subsidiaries: (i) no employee, officer or consultant of the Company or any

of its Subsidiaries has any proprietary, financial or other interest in

any such Intellectual Property Rights owned or used by the Company or any

of its Subsidiaries in the conduct of their businesses; and (ii) neither

the Company nor any of its Subsidiaries (A) have any obligation to

compensate any Person for the use of any such Intellectual Property

Rights, or (B) have granted, other than in the ordinary course of

business, any license or other right to use any such Intellectual Property

Rights used in the conduct of the business of the Company and its

Subsidiaries, whether requiring the payment of royalties or not. To the

Knowledge of the Company, no statute, law, rule, regulation, standard or

code is pending or proposed which would restrict the Company's or any of

its Subsidiaries' ability to use any of the Intellectual Property Rights

used in the conduct of their business.

3.16 Environmental Matters

Except as disclosed in Section 3.16 of the Disclosure Schedule, neither

the Company nor any of its Subsidiaries is in violation of any applicable

Environmental Laws and no material expenditures are required in order to

comply with any such Environmental Laws. No Hazardous Materials are used

or have been used, stored or disposed of by the Company or its

Subsidiaries or, to the Knowledge of the Company, by any other Person on

any property owned, lease or used by the Company or its Subsidiaries.

3.17 Labor Agreements and Actions; Employee Compensation

(a) Except as disclosed in Section 3.17(a) of the Disclosure Schedule, the

Company is not aware that any member of the Management Team, senior

officer or key employee, or that any group of key employees, intends to

terminate their employment with the Company, nor does the Company have a

present intention to terminate the employment of any of the foregoing. The

employment of each member of the Management Team, senior officer and

employee of the Company is terminable at the will of the Company without

giving rise to a claim for compensation or damages (other than a statutory

severance or redundancy

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payment or statutory compensation for unfair dismissal). The Company has

complied in all material respects with all applicable Laws related to

employment.

(b) To the Knowledge of the Company, there are no threatened or contemplated

attempts to organize for collective bargaining purposes any of the

employees of the Company or any Subsidiary. No unfair labor practice

complaint or sex or age discrimination claim has been brought against the

Company or any of the Subsidiaries since the inception of the respective

company before any Governmental Authority. Since the inception of the

respective company, there has been no work stoppage or strike by employees

of the Company or any Subsidiary. During that period, the Company and the

Subsidiaries have complied in all material aspects with all applicable

Laws relating to the employment of labor, including without limitation,

those relating to wages, hours and collective bargaining.

(c) To the Knowledge of the Company, neither the Company nor any of its

Subsidiaries has any liability (whether legally binding or not) to make

any payment to or for the benefit of any employee, officer, consultant,

independent contractor or agent in respect of past service, pension or the

termination of the employment or engagement of that or any other person

(including without limitation, payments for wrongful or unfair dismissal,

loss of office or redundancy) that would have a Material Adverse Effect on

the Business or Condition of the Group, other than in respect to current

month payroll expenses and related deductions in relation to employee and

employer contributions.

(d) Except as disclosed in Section 3.17(d) of the Disclosure Schedule, neither

the Company nor any of its Subsidiaries have any contracts, agreements or

other arrangements with any member of the Management Team, officer or

employee involving any payments in excess of US$100,000 to such

individuals, including without limitation, any payment of consideration in

connection with the transfer of equity interest in the PRC Subsidiary to

the Company (other than in connection with their employment with the

Company or any of its Subsidiaries such as their employment agreements or

confidentiality, non-compete and intellectual property assignment

agreements or share option award agreements).

3.18 Benefit Plans

(a) Except as disclosed in Section 3.18(a) of the Disclosure Schedule, neither

the Company nor any of its Subsidiaries has scheduled or agreed upon

future increases of benefit levels (or creations of new benefits) with

respect to any Benefit Plan.

(b) Each of the Company and its Subsidiaries has complied with all applicable

Laws relating to any of the Benefit Plans. All contributions and payments

required to be made by any employees of the Company or any of its

Subsidiaries with respect to the employee benefits have been fully

deducted and paid to the relevant Governmental Authority, except where the

failure to make such payment would not cause a Material Adverse Effect to

the Business or Condition of the Group, and no such deductions have been

challenged or disallowed by any Governmental Authority or any employee of

the Company or any of its Subsidiaries.

(c) Neither the Company nor any of its Subsidiaries has been delinquent in

making any payment to or for the benefit of any current or former employee

with respect to statutory

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social insurance plans operated under the Laws of the PRC, except where

the failure to make such payment would not cause a Material Adverse Effect

to the Business or Condition of the Group.

(d) Except as disclosed in Section 3.18(d) of the Disclosure Schedule, other

than statutory social insurance plans operated under the Laws of the PRC,

neither the Company nor any of its Subsidiaries provides or is required to

provide any retirement, social insurance, life insurance, medical, dental

or any other welfare benefits provided on ill-health, injury, death

disability or on termination of employment (whether voluntary or

involuntary) to any current or former employees of the Company or any of

its Subsidiaries.

3.19 Related-Party Transactions

(a) To the Knowledge of the Company and except as disclosed in Section 3.19(a)

of the Disclosure Schedule, neither the Management Team nor any directors

and shareholders of the Company, the BVI Subsidiary or the PRC Subsidiary:

(i) owns, directly or indirectly, any interest in (except less than 1%

shareholdings for investment purposes in securities of publicly held and

traded companies), or is an officer, director, employee or consultant of,

any Person that is, or is engaged in business as, a direct competitor,

lessor, lessee, sales agent or customer of, or lender to or borrower from,

the Company or any of its Subsidiaries; (ii) owns, directly or indirectly,

in whole or in part, any tangible or intangible property that is used in

and material to the conduct of the business of the Company and its

Subsidiaries; or (iii) has any cause of action or other claim whatsoever

against, the Company or any of its Subsidiaries, except for claims in the

ordinary course of business such as for accrued vacation pay, accrued

benefits under employee benefit plans, and similar matters and agreements

existing on the date hereof. Except as disclosed in Section 3.19(a) of the

Disclosure Schedule, none of the directors or shareholders of any of the

Company's Subsidiaries other than the BVI Subsidiary and the PRC

Subsidiary: (i) owns, directly or indirectly, any interest exceeding

US$500,000 (except less than 1% shareholdings for investment purposes in

securities of publicly held and traded companies) in any Person that is,

or is engaged in business as, a direct competitor, lessor, lessee, sales

agent or customer of, or lender to or borrower from the Company or any of

its Subsidiaries; (ii) owns, directly or indirectly, in whole or in part,

any tangible or intangible property worth more than US$500,000 that is

used in and material to the conduct of the business of the Company and its

Subsidiaries; or (iii) has any cause of action or other claim whatsoever

against the Company or any of its Subsidiaries which would cause a

Material Adverse Effect to the Business or Condition of the Group.

(b) To the Knowledge of the Company and except as disclosed in Section 3.19(b)

of the Disclosure Schedule, (i) there is no Indebtedness between the

Company or any Subsidiary, on the one hand, and the Founder, senior

officer, director, Affiliate of the Company or any Subsidiary, or any

Associate of any such Founder, officer, director or Affiliate (other than

the Company or any Subsidiary), on the other; (ii) neither the Company nor

any Subsidiary beneficially owns, directly or indirectly, any Investment

Assets of the Founder, senior officer, director, Affiliate or Associate.

Except as disclosed in Section 3.19(b) of the Disclosure Schedule, each of

the transactions listed in Section 3.19(b) of the Disclosure Schedule was

incurred or engaged in, as the case may be, on an arm's-length basis.

Except as disclosed in Section 3.19(b) of the Disclosure Schedule, since

January 1, 2003, all

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settlements of intercompany Indebtedness between the Company or any

Subsidiary, on the one hand, and any Founder, officer, director, Affiliate

or Associate, on the other, have been made, and all allocations of

intercompany expenses have been applied, in the ordinary course of

business consistent with past practice.

3.20 Outstanding Borrowings

Section 3.20 of the Disclosure Schedule lists (i) the amount of all

Outstanding Borrowings of the Company and its Subsidiaries as of the

Closing; (ii) the Liens that relate to such Outstanding Borrowings and

that encumber the Assets and Properties of the Company; and (iii) the name

of each lender thereof.

3.21 Material Contracts

Section 3.21 of the Disclosure Schedule contains a true, complete and

correct list of all contracts, agreements, commitments and other

Contractual Obligations of the Group that have not expired or been

substantially performed, whether written or oral, other than (a) the

Transaction Documents and (b) during the twelve-month period ended

December 31, 2005 and the twelve-month period ended December 31, 2004, any

other contracts, agreements, commitments and other Contractual Obligations

of the Company or any of its Subsidiaries, (i) pursuant to which

commission of less than US$500,000 has been received or is reasonably

expected to be received by the Company or its Subsidiaries, (ii) where the

Company or any of its Subsidiaries has the Contractual Obligation to make

advance payments or non-refundable deposits, the amount of such payments

or deposits is less than US$500,000; provided that any exclusive sales

contracts to which the Company or any of its Subsidiaries is a party must

be contained in Section 3.21 of the Disclosure Schedule. Except as

disclosed in Section 3.21 of the Disclosure Schedule, each of the

contracts, agreements, commitments and other Contractual Obligations of

the Company or its Subsidiaries required to be set forth on Section 3.21

of the Disclosure Schedule (the "MATERIAL CONTRACTS") is in full force and

effect. The Group has satisfied in full or provided for all of its

liabilities and obligations under each Material Contract requiring

performance prior to the date hereof in all material respects, and is not

in default under any of them, nor, to the Knowledge of the Company, does

any condition exist that with notice or lapse of time or both would

constitute such a default which would cause a Material Adverse Effect to

the Business or Condition of the Group. To the Knowledge of the Company

and except as disclosed in Section 3.21 of the Disclosure Schedule, no

other party to any such Material Contract is in default thereunder, nor

does any condition exist that with notice or lapse of time or both would

constitute such a default. No approval or consent of any Person is needed

for all of the Material Contracts to continue to be in full force and

effect.

3.22 Insurance

Section 3.22 of the Disclosure Schedule contains copies of all of the

insurance policies or programs of the Company and each of its Subsidiaries

in effect as of the date hereof that have an insured amount of at least

US$500,000, and indicates the insurer's name, policy number, expiration

date, amount of coverage, type of coverage, annual premiums, exclusions

and deductibles, that is in effect. All such policies are underwritten by

financially sound and reputable insurers, and are sufficient to satisfy

all applicable Laws.

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All such policies will remain in full force and effect and will not in any

way be affected by, or terminate or lapse by reason of any of the

transactions contemplated hereby.

3.23 Customers

Section 3.23 of the Disclosure Schedule contains a true, complete and

correct list of the ten (10) largest customers of the Company and its

Subsidiaries taken as a whole, (i) from which commission of more than

US$500,000 has been received or is reasonably expected to be received by

the Company or any of its Subsidiaries; (ii) which have entered into

exclusive sales contracts with the Company or any of its Subsidiaries;

(iii) to which the Company or any of its Subsidiaries has the Contractual

Obligation to make advance payments or non-refundable deposits for more

than US$500,000 (other than the salaries of the employees) during the

twelve-month period ended December 31, 2005 and the twelve month period

ended December 31, 2004. There exists no actual or, to the Knowledge of

the Company, threatened termination, cancellation or limitation of, or any

adverse modification or change in, the business relationship of the

Company, its Subsidiaries or their business with any customer or any group

of customers whose purchases are individually or in the aggregate material

to the business of the Company or any such Subsidiary, and there exists no

present condition or state of facts or circumstances that would cause a

Material Adverse Effect to the Business or Condition of the Group or

prevent the Company or its Subsidiaries from conducting their business

after the consummation of the transactions contemplated by this Agreement,

in substantially the same manner in which such business has heretofore

been conducted.

3.24 Foreign Corrupt Practices Act

To the Knowledge of the Company, neither the Company, nor any of its

Subsidiaries, nor to the Knowledge of the Company, any member of the

Management Team, employees or directors of the Company or any of its

Subsidiaries, has knowingly offered, promised, authorized or made,

directly or indirectly, payments or other inducements to any government

officials in order to assist the Company, or any of its Subsidiaries in

obtaining or retaining business for or with, or directing business to, any

Person in violation of the United States Foreign Corrupt Practices Act.

3.25 Registration, Information and Special Voting Rights

Except as provided in the Shareholders Agreement and the Registration

Rights Agreement, the Company has not granted or agreed to grant any

registration rights, information rights or special voting rights to any

Person.

3.26 Broker's, Finder's or Similar Fees

There are no brokerage commissions, finder's fees or similar fees or

commissions payable in connection with the transactions contemplated

hereby based on any agreement, arrangement or understanding with it or any

action taken by it.

3.27 Disclosure

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This Agreement, together with the Disclosure Schedule and all schedules

and exhibits hereto, and the agreements, certificates and other documents

furnished to the Investors by the Company at the Closing (including

without limitation, the other Transaction Documents) do not contain any

untrue statement of a material fact or omit to state a material fact

necessary in order to make the statements contained herein or therein, in

the light of the circumstances under which they were made, not misleading.

There is no fact which has not been disclosed to the Investors or

reflected in materials provided to the Investors that the Management Team

and the Founder have foreseen to have a Material Adverse Effect on the

Business or Condition of the Group. All information given to the Investors

and their professional advisers by the Company, its Subsidiaries, the

Ordinary Shareholders and their respective officers, employees and

professional advisers during the negotiations prior to this Agreement was,

when given and is at the date hereof, true and accurate.

ARTICLE 4

REPRESENTATIONS AND WARRANTIES OF INVESTORS

The Investors hereby represent and warrant as follows:

4.1 Status

Each of the Investors is a limited liability partnership or company, as

the case may be, duly organized, validly existing and in good standing

under the Laws of the jurisdiction of its incorporation or formation.

4.2 Authorization; No Contravention

The execution, delivery and performance by each Investor of this

Agreement: (a) is within its power and authority and has been duly

authorized by all necessary action; (b) does not contravene the terms of

its organizational documents or any amendment thereof; and (c) will not

violate, conflict with or result in any breach or contravention of any of

its Contractual Obligations, or any order or decree directly relating to

it.

4.3 Binding Effect

This Agreement has been duly executed and delivered by each Investor and

this Agreement constitutes its legal, valid and binding obligation,

enforceable against it in accordance with its terms, except as

enforceability may be limited by applicable bankruptcy, insolvency, or

similar laws affecting the enforcement of creditors' rights generally or

by equitable principles relating to enforceability.

4.4 No Legal Bar

The execution, delivery and performance of this Agreement by each Investor

will not violate any Law applicable to it.

4.5 Purchase for Own Account

Each Investor is acquiring the Series A Preferred Shares hereunder, and

the securities into which any of the Series A Preferred Shares may be

converted or exercised, for its own account for investment, not as a

nominee or agent, and not with a view to, or for sale in

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connection with, any distribution thereof, nor with any present intention

of distributing or selling the same, and, except as contemplated by this

Agreement and the Schedules and Exhibits hereto, the Investor has no

present or contemplated agreement, undertaking, arrangement, obligation,

indebtedness or commitment providing for the disposition thereof.

4.6 No Public Market

Each Investor understands that no public market now exists for the Series

A Preferred Shares or the securities issuable upon the conversion of any

of the Series A Preferred Shares, and that the Company has made no

assurances that a public market will ever exist for the Securities or the

securities issuable upon the conversion of any of the Series A Preferred

Shares.

4.7 Disclosure of Information

Each Investor has had an opportunity to ask questions and receive answers

from the Company, and its Subsidiaries regarding the terms and conditions

of the offering of the Series A Preferred Shares and the business,

properties, prospects, and financial condition of the Company and its

Subsidiaries and to obtain additional information from the Company and its

Subsidiaries necessary to verify the accuracy of any information furnished

to such Investor or to which such Investor had access. Each Investor

understands that a purchase of the Series A Preferred Shares involves a

high degree of risk, and there can be no assurances that the Company's and

its Subsidiaries' business objectives will be obtained.

4.8 Investment Experience

Each Investor is experienced in evaluating and investing in private

placement transactions of securities of companies in a similar stage of

development and acknowledges that its can bear the economic risk of its

investment for an indefinite period of time.

4.9 Restricted Securities

Each Investor understands that the Series A Preferred Shares are

characterized as "restricted securities" under U.S. federal securities

Laws in as much as they are being acquired from the Company in a

transaction not involving a public offering and that under such Laws and

applicable regulations such securities may be resold without registration

under the Securities Act only in certain limited circumstances. In this

connection, each Investor represents that it is familiar with Rule 144

promulgated under the Exchange Act, as presently in effect, and

understands the resale limitations imposed thereby and by the Securities

Act. Furthermore, each Investor understands that the Series A Preferred

Shares have not been qualified or registered under the Laws of any other

jurisdiction and therefore may be viewed as restricted securities under

any or all of such other applicable securities Laws.

4.10 Broker's, Finder's or Similar Fees

Except for certain origination fees to be paid by certain Investors to

China Renaissance Capital Investment Inc., there are no brokerage

commissions, finder's fees or similar fees

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or commissions payable in connection with the transactions contemplated

hereby based on any agreement, arrangement or understanding with it or any

action taken by it.

ARTICLE 5

CONDITIONS TO OBLIGATIONS OF INVESTORS AT CLOSING

The obligations of the Investors to subscribe for the Series A Preferred Shares

at the Closing and to perform any obligations hereunder shall be subject to the

satisfaction of each of the following conditions on or before the Closing Date

(unless waived by the Investors); provided, however, that any waiver of a

condition shall not be deemed a waiver of any breach of any representation,

warranty, agreement, term or covenant or of any misrepresentation by the

Company, the BVI Subsidiary, the PRC Subsidiary or the Ordinary Shareholders,

except to the extent expressly so waived.

5.1 Representations and Warranties; Performance of Covenants

Except those as disclosed in the Disclosed Schedule, the representations

and warranties of the Company, the BVI Subsidiary, the PRC Subsidiary and

Ordinary Shareholders contained in Article 3 hereof shall be true,

complete and correct at and as of the date hereof and the Closing Date as

if made at and as of each such date, and the Company, the BVI Subsidiary,

the PRC Subsidiary and the Ordinary Shareholders shall have performed and

complied with all the covenants, agreements and conditions set forth or

contemplated herein that are required to be performed by or complied with

by the Company, the BVI Subsidiary, the PRC Subsidiary and the Ordinary

Shareholders on or before the Closing Date.

5.2 Proceedings

All corporate and other proceedings required to have been taken by the

Company and the Company's shareholders in connection with the transactions

contemplated have been taken.

5.3 Compliance Certificate

The Investors shall have received at the Closing a certificate, dated as

of the Closing Date and signed by the Chief Executive Officer of the

Company and the PRC Subsidiary, certifying that (i) the conditions

specified in Section 5.1 hereof have been fulfilled and stating that there

has been no material adverse change in the Business or Condition of the

Group since the date of the most recent balance sheet included in the 2005

Audited Financial Statements, which were delivered to the Investors prior

to the Closing and (ii) the other conditions specified in this Article 5

have been fulfilled.

5.4 Secretary's or Director's Certificate

The Investors shall have received a certificate from the Company, dated as

of the Closing Date and signed by the Secretary or a director of the

Company, certifying (a) that the attached copies of the organizational

documents of the Company and each of its Subsidiaries and the resolutions

of the Board of Directors and/or shareholders (as appropriate) of the

Company approving this Agreement and the other Transaction Documents and

the transactions contemplated hereby and thereby, are all true, complete

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and correct and remain unamended and in full force and effect, and (b) the

incumbency and specimen signature of each officer of the Company and the

PRC Subsidiary executing each such document or any other document

delivered in connection herewith or therewith on behalf of the Company.

5.5 Corporate Approval and Documents

The Investors shall have received true, complete and correct copies of the

resolutions of the Board of Directors and/or shareholders (as appropriate)

of the Company and such other agreements, schedules, exhibits,

certificates, documents, financial information and filings which are

reasonably required in connection with or relating to the transactions

contemplated hereby, all in form and substance reasonably satisfactory to

the Investors.

5.6 Subscription for Series A Preferred Shares Permitted by Applicable Laws

The subscription for the Series A Preferred Shares by the Investors

hereunder and the consummation of the transactions contemplated hereby (a)

shall not be prohibited by the Company's Articles of Association or any

applicable Laws, and (b) shall be permitted by all Laws to which the

Investors or the transactions contemplated by or referred to herein or in

the other documents and agreements contemplated hereby are subject.

5.7 Due Diligence

The Investors' partners, directors, officers, employees, agents or

representatives, including financial advisers, consultants and legal

counsel, shall have completed all operational, legal and financial due

diligence in connection with or relating to the transactions contemplated

hereby to the reasonable satisfaction of the Investors, with the full

cooperation and assistance from the Group.

5.8 Opinions of Company Counsel

The Investors shall have received opinions from (a) Maples and Calder,

Cayman Islands counsel to the Company, dated as of the Closing Date,

relating to the transactions contemplated by or referred to herein,

substantially in the form attached hereto as Exhibit D, and (b) Jin Mao

Law Firm, PRC counsel to the Company, dated as of the Closing Date,

relating to the transactions contemplated by or referred to herein,

substantially in the form attached hereto as Exhibit E.

5.9 Shareholders Agreement

The Shareholders Agreement shall have been duly executed and delivered by

all the parties thereto.

5.10 Registration Rights Agreement

The Registration Rights Agreement shall have been duly executed and

delivered by all the parties thereto.

5.11 Constitutive Documents

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The Company shall have delivered to the Investors (a) copies of the

current certificates or articles of association (or other comparable

corporate charter documents), including all amendments thereto, of the

Company and each of its Subsidiaries, (b) current business licenses or

certificate of the Company and each of its Subsidiaries, and (c) a good

standing certificate for the Company.

5.12 Consents and Approvals

All consents, exemptions, authorizations, or other actions by, or notices

to, or filings with, Governmental Authority required to be obtained, made

or given in connection with the execution, delivery or performance by the

Company and its Subsidiaries for the Closing and are in full force and

effect, and the Investors shall have been furnished with appropriate

evidence thereof, and all waiting periods shall have lapsed without

extension or the imposition of any conditions or restrictions.

5.13 No Material Adverse Change

There shall have been no material adverse change in the Business or

Condition of the Group, nor shall there have been any damage, destruction

or loss to any Assets or Properties of the Company that would reasonably

be expected to result in a Material Adverse Effect on the Business or

Condition of the Group.

5.14 Articles of Association

The Company shall have adopted the Articles of Association containing the

rights, preferences and privileges of the Series A Preferred Shares

substantially in the form attached hereto as Exhibit A.

5.15 Transfer of Shares Under Company Share Plan

The Company shall have adopted a Company Share Plan, which shall be

presented to the Board of the Company, if and when deemed necessary by the

Founder and On Chance, and under which 3,636,364 Ordinary Shares equal to

five percent (5%) of the aggregate number of issued and outstanding shares

(including the Series A Preferred Shares as if they were already issued)

of the Company on an as-converted and fully diluted basis as of the

Closing Date shall be transferred pursuant to the Company Share Plan.

5.16 Election of Series A Designees to the Board

Mark Qiu [CHINESE CHARACTER] and Thomas Pulley, as the directors nominated

by the Investors, shall have been duly elected or appointed to the Board

of Directors of the Company and the PRC Subsidiary.

5.17 Employment and Non-Compete Agreements

The Founder and each member of the Management Team shall have entered into

employment agreements and confidentiality, non-compete and intellectual

property assignment agreements with the Company and/or the PRC Subsidiary

substantially in the form attached hereto as Exhibit F.

5.18 Investors' Business Principles

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The Company shall have signed a copy of the Investors' business principles

declaration containing the matters set forth in Schedule 5 hereto.

5.19 Dividends

All dividends declared by the Company, the BVI Subsidiary or the PRC

Subsidiary before the Closing Date shall have been paid in full.

5.20 Shareholder Loans

The Company shall have repaid in full or documented properly each

outstanding loan between any of the directors or shareholders of the

Company or any of its Subsidiaries, on the one hand, and the Company or

any of its Subsidiaries, on the other hand.

5.21 "Red Chip" Issue

The Company shall have prepared the Red Chip Financing Plan substantially

in the form attached hereto as Exhibit G, which shall have been

implemented to the extent required thereunder as of the Closing.

5.22 Foreign Exchange Registration

The PRC Subsidiary shall have obtained the Certificate of Foreign Exchange

Registration, which shall not contain any qualification or limitation on

the PRC Subsidiary's capability to open foreign exchange accounts with any

commercial bank in China.

ARTICLE 6

CONDITIONS TO OBLIGATIONS OF COMPANY AT CLOSING

The obligations of the Company to issue the Series A Preferred Shares and to

perform its other obligations hereunder relating thereto shall be subject to the

satisfaction of the following conditions on or before the Closing Date (unless

waived by the Company); provided, however, that any waiver of a condition shall

not be deemed a waiver of any breach of any representation, warranty, agreement,

term or covenant or of any misrepresentation by the Investors, except to the

extent expressly so waived.

6.1 Representations and Warranties

The representations and warranties of the Investors contained in Article 4

hereof shall be true, complete and correct in all material respects at and

as of the date hereof and the Closing Date as if made at and as of each

such date.

6.2 Compliance with this Agreement

The Investors shall have performed and complied in all material respects

with all of their respective agreements and conditions set forth or

contemplated herein that are required to be performed or complied with by

the Investors on or before the Closing Date.

6.3 Issuance of Shares Permitted by Applicable Laws

- 30 -

The issuance of the Series A Preferred Shares by the Company hereunder and

the consummation of the transactions contemplated hereby and by the

Transaction Documents (a) shall not be prohibited by any Law, and (b)

shall be permitted by all Laws to which the Company or the transactions

contemplated by or referred to herein or in the Transaction Documents are

subject, and the Company shall have received such certificates or other

evidence as it may reasonably request to establish compliance with this

condition.

6.4 Consents and Permits

The Investors shall have obtained any and all consents, permits and

waivers (if any) necessary or appropriate for the execution, delivery and

performance of the transaction contemplated by this Agreement.

6.5 Payment of Subscription Price

The Investors shall have delivered the Subscription Price in accordance

with Section 2.3 hereof.

6.6 Execution of Transaction Documents

The Investors shall have executed and delivered all of the Transaction

Documents to which they are a party.

ARTICLE 7

COVENANTS OF COMPANY, BVI SUBSIDIARY, PRC SUBSIDIARY, ORDINARY

SHAREHOLDERS AND FOUNDER

7.1 Covenants Until Closing

The Company, the BVI Subsidiary, the PRC Subsidiary and the Ordinary

Shareholders (other than Smart Create) covenant and agree with the

Investors that, at all times from and after the date hereof until the

Closing, the Company, the BVI Subsidiary, the PRC Subsidiary and the

Ordinary Shareholders will comply with the following covenants and

provisions, except to the extent the Investors may otherwise consent in

writing.

(a) Governmental Authorization

The Company and its Subsidiaries will procure the Company and its

Subsidiaries to (i) proceed diligently and in good faith and use all

commercially reasonable efforts, as promptly as practicable, to obtain all

consents, approvals or actions of, to make all filings with and to give

all notices to Governmental Authorities required of the Company or any

Subsidiary to consummate the transactions contemplated hereby, (ii)

provide such other information and communications to such Governmental

Authorities as the Investors or such Governmental Authorities may

reasonably request in connection with the consummation of the transactions

contemplated hereby, and (iii) cooperate with the Investors in obtaining

as promptly as practicable all consents, approvals or actions of, making

all filings with and giving all notices to Governmental Authorities

required of the Investors to consummate the transactions contemplated

hereby.

(b) Dividends

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The Company will not, and the Founder will procure the Company not to,

declare any dividends for any class of shares of the Company.

(c) Major Transactions

The Company shall not, and the Founder shall ensure that the Company shall

not, effect any merger, consolidation, scheme of arrangement,

recapitalization or sale of all or substantially all of the assets of the

Company or any of its Subsidiaries, except for the transactions

contemplated in Section 7.2(e) hereof.

(d) Notice and Cure

The Group shall conduct its business in a manner, and shall otherwise use

all reasonable efforts, so as to ensure that the representations and

warranties set forth in Article 3 hereof shall continue to be true and

correct on and as of the Closing Date as if made on and as of the Closing

Date. The Company, the BVI Subsidiary, the PRC Subsidiary and the Ordinary

Shareholders (other than Smart Create) will notify the Investors promptly

in writing of, and will as soon as practicable provide the Investors with

true and complete copies of any and all information or documents relating

to, and will use all best efforts to cure before the Closing, any event,

transaction or circumstance occurring after the date of this Agreement

that causes or will cause any covenant or agreement of any such party

under this Agreement to be breached or that renders or will render untrue

any representation or warranty of any such party contained in this

Agreement as if the same were made on or as of the date of such event,

transaction or circumstance. The Company also will notify the Investors

promptly in writing of, and will use all best efforts to cure, before the

Closing, any violation or breach of any representation, warranty, covenant

or agreement made by the Company in this Agreement, whether occurring or

arising before, on or after the date of this Agreement. No notice given

pursuant to this Section 7.1(d) shall have any effect on the

representations, warranties, covenants or agreements contained in this

Agreement for purposes of determining satisfaction of any condition

contained herein or shall in any way limit the Investors' right to seek

any remedy available at law or in equity.

(e) Fulfillment of Conditions

The Company will execute and deliver at the Closing each Transaction

Document that it is required hereby to execute and deliver as a condition

to the Closing, and will take all commercially reasonable steps necessary

or desirable and proceed diligently and in good faith to satisfy each

other condition to the obligations of the Investors contained in this

Agreement and will not, and will not permit the Company or any Subsidiary

to, take or fail to take any action that could reasonably be expected to

result in the nonfulfillment of any such condition.

7.2 Covenants After Closing

The Company, the BVI Subsidiary, the PRC Subsidiary and the Ordinary

Shareholders (other than Smart Create) covenant and agree with the

Investors that, at all times from and after the date hereof, the Company

and its Subsidiaries will comply with the following covenants:

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(a) Use of Proceeds

Without the Investors' prior written consent, the Subscription Price paid

by the Investors to the Company shall be only used by the Company to

finance the business expansion and operation of the PRC Subsidiary or

other business functions in accordance with the plan of proposed use of

proceeds that the Company will deliver to the Investors at Closing, which

plan shall be subject to the Investors' approval.

(b) Certificate of Financial Registration

Within thirty (30) days following the Closing Date, the PRC Subsidiary

shall have obtained the Certificate of Financial Registration.

(c) Certificate of Tax Registration

Within thirty (30) days following the Closing Date, the PRC Subsidiary

shall have obtained the Certificate of Tax Registration reflecting correct

information regarding the PRC Subsidiary, including its status as a wholly

foreign owned enterprise and the name of its legal representative as Zhou,

Xin.

(d) Audit

Upon the request of the Investors, the Company shall, as soon as

practicable, provide the Investors with the balance sheet of the PRC

Subsidiary as of December 31, 2004 and the related statements of income,

cash flow and changes in shareholders' equity, together with the notes

thereto, audited and approved by the Company's auditor.

(e) Restructuring

The Investors and the Ordinary Shareholders hereby covenant and agree that

as soon as practical but no later than 180 days after the Closing Date,

the Company and the PRC Subsidiary, as the case may be, shall have the

right, but not the obligation, to acquire all equity interest in E-House

Hong Kong and E-House Macau and all equity interest held by Jin Hong Yun

in the Subsidiaries of the Company other than the BVI Subsidiary and the

PRC Subsidiary (collectively, the "RESTRUCTURING"), with an aggregate

purchase price equal to the net asset values of these three entities as

reflected in the financial statements prepared in accordance with IFRS of

each of those entities for the twelve-month period ended December 31,

2005, minus the cost of capital, plus RMB3,000,000; provided there shall

have been no material adverse change in the business or condition of each

of those entities at the time of the completion of the Restructuring, nor

shall there have been any damage, destruction or loss to any Assets or

Properties of any of those entities that would reasonably be expected to

result in a Material Adverse Effect on the business or condition of such

entity.

(f) Internal Control and Financial Management

The Company, the BVI Subsidiary and the PRC Subsidiary shall use their

best efforts to adopt an internal control system that ensures the

separation of internal audit and financial control of the Company, the BVI

Subsidiary and the PRC Subsidiary, respectively.

(g) Key Man Insurance

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Within sixty (60) days following the Closing Date, the Company shall

obtain key man insurance policy for the Founder, the terms and conditions

of which shall be to the reasonable satisfaction of the Investors.

7.3 Founder's Covenants After Closing

The Founder covenants and agrees that until the consummation of a

Qualified IPO or the full redemption of all Series A Preferred Shares held

by the Investors pursuant to the Articles of Association of the Company,

whichever is earlier, that he shall not (a) serve in a Competitive

Position, or (b) engage in activities contrary or harmful to the interests

of the Company or any of its Subsidiaries, including without limitation:

(i) employ or recruit any present, former or future employee of the

Company or any of its Subsidiaries to serve in a Competitive Position;

(ii) own equity (other than as the holder of not more than 1% of total

outstanding shares of a publicly-held company) in any other Person that is

in the business of real estate intermediary services anywhere in China,

including Hong Kong;

(iii) disclose or misuse any Confidential Information; or

(iv) participate in a hostile takeover attempt of the Company or any of

its Subsidiaries.

ARTICLE 8

TERMINATION

8.1 Termination

Notwithstanding any other provision of this Agreement, this Agreement may

be terminated at any time prior to the Closing Date:

(a) by the mutual written consent of the Company and the Investors;

(b) at any time before Closing, by the Company or the Investors, in the event

of a material breach hereof by the non-terminating party if such

non-terminating party fails to cure such breach within five (5) Business

Days following notification thereof by the terminating party; or

(c) by either the Company or the Investors, upon written notice to the other

Parties, if the Closing has not been consummated in accordance with this

Agreement on or prior to May 28, 2006 unless otherwise extended by the

Parties.

8.2 Effect of Termination

In the event of termination of this Agreement pursuant to Section 8.1,

this Agreement will forthwith become null and void, and there will be no

liability or obligation on the part of any party hereto (or any of its

respective officers, directors, employees, agents or other

representatives, Associates or Affiliates), except as provided in Section

10.12 in respect of certain expenses and Section 10.13 in respect of

publicity, which shall survive the termination of this Agreement, and

except as provided in the next succeeding sentence.

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Notwithstanding any other provision in this Agreement to the contrary,

upon termination of this Agreement pursuant to Section 8.1(b) or (c), the

parties will remain liable to each other for any breach of this Agreement

by the parties existing at the time of such termination and the parties

may seek such remedies, including damages and fees of attorneys, against

the other with respect to any such breach as are provided in this

Agreement or as are otherwise available at law or in equity.

ARTICLE 9

INDEMNIFICATION

9.1 Indemnification by the Company, the BVI Subsidiary, the PRC Subsidiary and

the Ordinary Shareholders (other than Smart Create)

(a) The Company, the BVI Subsidiary, the PRC Subsidiary and each of the

Ordinary Shareholders (other than Smart Create) shall, jointly and

severally, indemnify, defend and hold harmless the Investors on demand for

any claims, losses, liabilities, damages, deficiencies, costs and

expenses, including without limitation any diminution in value of the

Series A Preferred Shares or Assets and Properties, legal fees and

expenses of investigation and defense, incurred by the Investors, their

officers, directors, agents or subsidiaries directly or indirectly

resulting from, arising out of or relating to any inaccuracy in, or breach

of, a representation or warranty of the Company, the BVI Subsidiary, the

PRC Subsidiary or any Ordinary Shareholder contained herein or any failure

by the Company, the BVI Subsidiary, the PRC Subsidiary or any Ordinary

Shareholder to perform or comply with any covenant, agreement or

obligation contained herein.

(b) The Founder shall indemnify, defend and hold harmless the Investors on

demand on any claims, losses, liabilities, damages, deficiencies, costs

and expenses, including without limitation any legal fees and expenses of

investigation and defense, incurred by the Investors, their officers,

directors, agents or subsidiaries directly or indirectly resulting from,

arising out of or relating to any claims against the Company or its

Subsidiaries arising from or in connection with any breach of the

non-compete provisions as set forth in Section 7.3 hereof.

(c) Notwithstanding anything contained herein to the contrary, Smart Create

shall indemnify, defend and hold harmless the Investors on demand for any

claims, losses, liabilities, damages, deficiencies, costs and expenses,

including without limitation any diminution in value of the Series A

Preferred Shares or Assets and Properties, legal fees and expenses of

investigation and defense, incurred by the Investors, their officers,

directors, agents or subsidiaries directly or indirectly resulting from,

arising out of or relating to any inaccuracy in, or breach of, a

representation or warranty of Smart Create contained herein.

9.2 Founder's Guarantee

(a) The Founder hereby undertakes to guarantee the performance of or

compliance with any covenant, agreement or obligation contained herein by

the Company, the BVI Subsidiary, the PRC Subsidiary or any Ordinary

Shareholder, and shall be liable to the Investors only (i) after all

remedies against the Company, the BVI Subsidiary, the PRC Subsidiary and

each of the Ordinary Shareholders (other than Smart Create) have been

exhausted, and (ii) if and

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to the extent that such remedies obtained by the Investors are

insufficient to cover the damages claimed by the Investors.

(b) The Founder's liability under this Section 9.1(b) hereof shall not be

limited in amount.

(c) The aggregate liability of the Founder under this Section 9.2 shall be

limited to US$10,000,000. All liabilities (other than in respect of any

pending claims) of the Founder under this Section 9.2 will terminate on

the earlier of (i) the completion of the Qualified IPO (as defined in the

Shareholders Agreement); and (ii) the full redemption of all the Series A

Preferred Shares held by the Investors pursuant to the Articles of

Association of the Company.

(d) Nothing in this Section 9.2 shall have the effect of limiting or

restricting any liability resulting from or arising out of any fraud.

9.3 Indemnification by the Investors

(a) The Investors shall indemnify, severally but not jointly, defend and hold

harmless the Company, the BVI Subsidiary, the PRC Subsidiary, the Founder

and the Ordinary Shareholders on demand for any claims, losses,

liabilities, damages, deficiencies, costs and expenses, including without

limitation any diminution in value of the Ordinary Shares or Assets and

Properties, legal fees and expenses of investigation and defense, incurred

by the Company, the BVI Subsidiary, the PRC Subsidiary, the Founder and

the Ordinary Shareholders, their officers, directors, agents or

subsidiaries directly or indirectly resulting from, arising out of or

relating to any inaccuracy in, or breach of, any representation or

warranty of the Investors contained herein or any failure by the Investors

to perform or comply with any covenant, agreement or obligation contained

herein.

Notwithstanding anything contained herein to the contrary, the

indemnification obligations of the Investors pursuant to Section 9.3(a)

hereof shall expire at Closing.

9.4 Enforcement Action

For the avoidance of doubt, any obligation on the part of the Investors to

make the investment hereunder is made solely to the Company, and no other

party shall have any right to enforce such obligation against the

Investors.

ARTICLE 10

MISCELLANEOUS

10.1 Survival of Representations and Warranties

The representations and warranties made herein shall survive any

investigation made by any party hereto and the Closing until the earlier

of (i) the completion of the Qualified IPO, or (ii) the full redemption of

all the Series A Preferred Shares held by the Investors pursuant to the

Articles of Association of the Company, provided however that all

representations and warranties need only be accurate when made and as of

the Closing.

10.2 Notices

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All notices, demands and other communications provided for or permitted

hereunder shall be made in writing and shall be by telefax, commercial

express courier service or personal delivery:

if to the Company, the BVI Subsidiary or the PRC Subsidiary:

Shanghai Real Estate Consultant & Sales (Group) Co., Limited

17th Floor, Merchandise Harvest Building (East)

333 North Chengdu Road

Shanghai 200041, China

Fax No.: +86 21 5298 0009

Attention: Zhou Xin

with a copy to:

Jones Day

30th Floor, Shanghai Kerry Center

1515 Nanjing Road West

Shanghai 200040, China

Fax No.: +86 21 5298 6569

Attention: Winston Zhao

if to the Founder: to the address set forth in Part 1 of Schedule 1.

if to the Ordinary Shareholders: to the addresses set forth in Part 2 of

Schedule 1.

if to the Investors: to the addresses set forth in Schedule 2.

with a copy to:

Clifford Chance LLP

40th Floor Bund Center

222 Yan An East Road

Shanghai 200002, China

Fax No.: +86 21 6335 0337

Attention: Yanping Cao

or to such other address or addresses as shall have been furnished in

writing to the other parties hereto. All such notices and communications

shall be deemed to have been duly given: when delivered by hand, if

personally delivered; when delivered by courier, if delivered by

commercial express courier service; or if faxed, when receipt is

acknowledged.

10.3 Successors and Assigns

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This Agreement shall inure to the benefit of and be binding upon the

successors and permitted assigns of the parties hereto. Subject to

applicable Laws, the Investors may assign any of their rights under any of

the Transaction Documents to any Permitted Transferee (as defined in the

Shareholders Agreement). Neither the Company or its Subsidiaries nor any

of the Ordinary Shareholders or the Founder may assign any of its rights

or obligations under this Agreement without the prior written consent of

the Investors, and any such purported assignment by the Company, its

Subsidiaries, the Ordinary Shareholders or the Founder without the written

consent of the Investors shall be void and of no effect. No Person other

than the parties hereto and their successors and permitted assigns is

intended to be a beneficiary of any of the Transaction Documents.

10.4 Amendment and Waiver

(a) No failure or delay on the part of any of the parties hereto in exercising

any right, power or remedy hereunder shall operate as a waiver thereof,

nor shall any single or partial exercise of any such right, power or

remedy preclude any other or further exercise thereof or the exercise of

any other right, power or remedy. The remedies provided for herein are

cumulative and are not exclusive of any remedies that may be available to

the parties hereto at law, in equity or otherwise.

(b) Any amendment, supplement or modification of or to any provision of this

Agreement, any waiver of any provision of this Agreement, and any consent

to any departure by any party from the terms of any provision of this

Agreement, shall be effective only if it is made or given in writing and

signed by all of the parties hereto, and only in the specific instance and

for the specific purpose for which made or given. No amendment, supplement

or modification of or to any provision of this Agreement or any of the

other Transaction Documents, or any waiver of any such provision or

consent to any departure by any party from the terms of any such provision

may be made orally. Except where notice is specifically required by this

Agreement, no notice to or demand on the Company in any case shall entitle

the Company to any other or further notice or demand in similar or other

circumstances.

10.5 Signatures; Counterparts

Telefacsimile transmissions of any executed original document and/or

retransmission of any executed telefacsimile transmission shall be deemed

to be the same as the delivery of an executed original. At the request of

any party hereto, the other parties hereto shall confirm telefacsimile

transmissions by executing duplicate original documents and delivering the

same to the requesting party or parties. This Agreement may be executed in

any number of counterparts and by the parties hereto in separate

counterparts, each of which when so executed shall be deemed to be an

original and all of which taken together shall constitute one and the same

agreement.

10.6 Headings

The headings in this Agreement are for convenience of reference only and

shall not limit or otherwise affect the meaning hereof.

10.7 Governing Law

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This Agreement shall be governed by, construed in accordance with, and

enforced under, the laws of Hong Kong without giving effect to any choice

of law rule.

10.8 Arbitration

(a) Except as otherwise provided in this Agreement, any dispute, controversy

or claim arising out of or in connection with this Agreement, or the

breach, termination or validity thereof, shall be finally settled by a

board of arbitration ("BOARD OF ARBITRATION") at the Hong Kong

International Arbitration Center under the rules of the United Nations

Commission on International Trade Law. The language used in the arbitral

proceedings shall be English.

(b) The Board of Arbitration shall comprise of three (3) members. The

Investors on the one hand, and the Company, the BVI Subsidiary, the PRC

Subsidiary, the Ordinary Shareholders and the Founder on the other, shall

each select one (1) member to the Board of Arbitration and the third

member shall be selected by mutual agreement of the other members, or if

the other members fail to reach agreement on a third member within twenty

(20) calendar days after their selection, such third member shall

thereafter be selected by the Hong Kong International Arbitration Centre

upon application made to it for such purpose by either of the members.

(c) The arbitral proceeding shall accord the right of cross-examination of

witnesses, the right to provide witnesses, including expert witnesses, and

the right to make both written and oral submissions.

(d) The arbitral award made and granted by the Board of Arbitration shall be

final, binding and incontestable and may be used as a basis for judgment

thereon in any court having jurisdiction. All costs of arbitration

(including without limitation, those incurred in the appointment of

arbitrator) shall be borne by the losing party unless otherwise

apportioned in the arbitral award.

(e) No person who is, or has been, an employee or agent of, or consultant or

counsel to, the Investors, the Company or any of their respective

Affiliates shall be eligible to act as an arbitrator at any time.

(f) This Agreement and the rights and obligations of the Investors and the

Company shall remain in full force and effect pending the award in any

arbitration proceeding hereunder.

10.9 Severability

If any one or more of the provisions contained in this Agreement, or the

application thereof in any circumstance, is held invalid, illegal or

unenforceable in any respect for any reason, the validity, legality and

enforceability of any such provision in every other respect and of the

remaining provisions hereof shall not be in any way impaired, unless the

provisions held invalid, illegal or unenforceable shall substantially

impair the benefits of the remaining provisions of this Agreement. The

parties hereto further agree to replace such invalid, illegal or

unenforceable provision of this Agreement with a valid, legal and

enforceable provision that will achieve, to the extent possible, the

economic, business and other purposes of such invalid, illegal or

unenforceable provision.

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10.10 Rules of Construction

Unless the context otherwise requires, "OR" is not exclusive, and

references to sections or subsections refer to sections or subsections of

this Agreement.

10.11 Entire Agreement

This Agreement, including the exhibits and schedules hereto, and the other

Transaction Documents, are intended by the parties as a final expression

of their agreement and intended to be a complete and exclusive statement

of the agreement and understanding of the parties hereto in respect of the

subject matter contained herein and therein. There are no restrictions,

promises, warranties or undertakings, other than those set forth or

referred to herein or therein. This Agreement, together with the exhibits

and schedules hereto, and the other Transaction Documents supersede all

prior agreements and understandings between the parties with respect to

such subject matter.

10.12 Certain Expenses

The Company will pay all expenses of the Investors (including without

limitation, travel fees, charges and disbursements of legal counsel,

financial advisors and consultants) incurred by the Investors in

connection with the negotiation, execution and closing of this Agreement,

the other Transaction Documents and the transactions contemplated hereby

and thereby, up to a maximum of US$150,000 upon the Closing of the

transactions contemplated under this Agreement and the other Transaction

Documents. Should the Company decide unilaterally not to close the

transactions contemplated by this Agreement for no cause, the Company

shall bear all reasonable costs and expenses incurred by or on behalf of

both the Investors and the Company by the professional advisers appointed

by the Investors and the Company in connection with the transaction

contemplated under this Agreement and the other Transaction Documents.

Should the Investors decide unilaterally not to close the transaction

contemplated by this Agreement for no cause, the Investors shall bear all

reasonable costs and expenses incurred by or on behalf of both the

Investors and the Company by the professional advisers appointed by the

Investors and the Company in connection with the transaction contemplated

under this Agreement and the other Transaction Documents.

10.13 Publicity

Except as may be required to be disclosed by applicable law or any

requirement of any competent governmental or statutory authority or rules

or regulations of any relevant regulatory, administrative or supervisory

body (including without limitation, any relevant stock exchange or

security council), none of the parties hereto shall issue a publicity

release or announcement or otherwise make any public disclosure concerning

this Agreement or the transactions contemplated hereby, without prior

approval of the Company and the Investors. If any announcement is required

by law to be made by any party hereto, prior to making such announcement

such party will deliver a draft of such announcement to the other parties

and shall give the other parties an opportunity to comment thereon.

10.14 Further Assurances

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Each of the parties shall execute such documents and perform such further

acts (including without limitation, obtaining any consents, exemptions,

authorizations, or other actions by, or giving any notices to, or making

any filings with, any governmental entity or authority or any other

Person) as may be reasonably required or desirable to carry out or to

perform the provisions of this Agreement and the other Transaction

Documents, including without limitation, any post-closing transfer(s) by

the Investors of a portion of the Series A Preferred Shares to a Person

not currently a party hereto.

10.15 No Strict Construction

The parties hereto have participated jointly in the negotiation and

drafting of this Agreement and the other Transaction Documents. In the

event an ambiguity or question of intent or interpretation arises under

any provision of this Agreement or any Transaction Document, this

Agreement or such other Transaction Document shall be construed as if

drafted jointly by the parties thereto, and no presumption or burden of

proof shall arise favoring or disfavoring any party by virtue of the

authorship of any of the provisions of this Agreement or any other

Transaction Document. No knowledge of, or investigation, including without

limitation, due diligence investigation, conducted by, or on behalf of,

the Investors shall limit, modify or affect the representations set forth

in Article 3 of this Agreement or the right of the Investors to rely

thereon.

10.16 Confidentiality

Each party hereto agrees that it will maintain the confidentiality of any

proprietary information of the Company; provided, however, such obligation

of confidentiality shall not apply to (i) information which was in the

public domain or otherwise known to the relevant party before it was

furnished to it by another party hereto or, after it was furnished to that

party, entered the public domain otherwise than as a result of (1) a

breach by that party of this Section 10.16 or (2) a breach of a

confidentiality obligation by the disclosing party, where the breach was

known to that party; (ii) the disclosure of information which is necessary

in order to comply with applicable law, the order of any court, the

requirements of a stock exchange or other governmental or regulatory

authority or to obtain tax or other clearances or consents from any

relevant authority; (iii) the disclosure of information by the Investors

to a bona fide proposing purchaser of any Series A Preferred Shares, or

(iv) the disclosure of information by the Investors to its directors,

officers, employees, partners, accountants and attorneys where such

Persons or entities are under appropriate nondisclosure obligation to the

Investors.

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IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed

and delivered by their respective officers hereunto duly authorized as of the

date first above written.

E-HOUSE (CHINA) INVESTMENTS HOLDING LIMITED

[CHINESE CHARACTERS]

By: /s/

----------------------------------------------------

Name:

Title:

E-HOUSE REAL ESTATE LIMITED

[CHINESE CHARACTERS]

By: /s/

----------------------------------------------------

Name:

Title:

SHANGHAI REAL ESTATE CONSULTANT AND SALES

(GROUP) CO., LIMITED

[CHINESE CHARACTERS]

By: /s/

----------------------------------------------------

Name:

Title:

CHF INVESTMENT LIMITED

By: /s/

----------------------------------------------------

Name: Hung Shih

Title: Director

RECP E-HOUSE INVESTORS LTD.

By: DLJ REAL ESTATE CAPITAL PARTNERS III, L.P.

By: /s/

----------------------------------------------------

Name:

Title:

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E-HOUSE CO-INVESTORS, LTD.

By: RECP III CO-INVESTORS A, L.P.

By: /s/

----------------------------------------------------

Name:

Title:

SIG CHINA INVESTMENT ONE, LTD.

By: /s/

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By: Susquehanna Asia Investment, LLLP

Name: Michael L. Spolan

Title: Vice President

Susquehanna Asia Investment, LLLP

(authorized agent)

JUNHENG INVESTMENT LIMITED

By: /s/

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Name:

Title:

SMART CREATE GROUP LIMITED

By: /s/

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Name:

Title:

ON CHANCE INC.

By: /s/

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Name:

Title:

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FOUNDER

By: /s/

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Name:

Title:

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FARALLON CAPITAL PARTNERS, L.P.

FARALLON CAPITAL INSTITUTIONAL PARTNERS, L.P.

FARALLON CAPITAL INSTITUTIONAL PARTNERS II, L.P.

FARALLON CAPITAL INSTITUTIONAL PARTNERS III, L.P.

FARALLON CAPITAL OFFSHORE INVESTORS II, L.P.

By: /s/

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By: Farallon Partners, L.L.C., its General Partner

Name: Mark C Wehrly

Title: Managing Member

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SCHEDULE 1

LIST OF FOUNDER AND ORDINARY SHAREHOLDERS

PART 1

FOUNDER

PART 2

ORDINARY SHAREHOLDERS

- 46 -

SCHEDULE 2

LIST OF INVESTORS

- 47 -

SCHEDULE 3

PART 1

LIST OF SHAREHOLDERS BEFORE CLOSING

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PART 2

LIST OF SHAREHOLDERS AFTER CLOSING

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SCHEDULE 4

MANAGEMENT TEAM

- 50 -

SCHEDULE 5

INVESTORS' BUSINESS PRINCIPLES DECLARATION

The business of the Company and its Subsidiaries will be carried on in a way

that:

1. provides safe and healthy working conditions for its employees and

contractors;

2. encourages the efficient use of natural resources and promotes the

protection of the environment;

3. treats all employees fairly in terms of recruitment, progression,

remuneration and conditions of work, irrespective of gender, race, colour,

language, disability, political opinion, age, religion or national/social

origin;

4. allows consultative work-place structures and associations which provide

employees with an opportunity to present their views to management;

5. takes account of the impact of its operations on the local community and

seeks to ensure that potentially harmful occupational health and safety,

environmental and social effects are properly assessed, addressed and

monitored; and

6. upholds high standards of business integrity and honesty, and operates in

accordance with local laws and international good practice (including

those intended to fight extortion, bribery and financial crime).

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SCHEDULE 6

DISCLOSURE SCHEDULE

[TO BE INSERTED]

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EXHIBIT A

ARTICLES OF ASSOCIATION

OF

E-HOUSE (CHINA) INVESTMENTS HOLDING LIMITED

[TO BE INSERTED]

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EXHIBIT B

SHAREHOLDERS AGREEMENT

[TO BE INSERTED]

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EXHIBIT C

REGISTRATION RIGHTS AGREEMENT

[TO BE INSERTED]

- 55 -

EXHIBIT D

FORM OF CAYMAN COUNSEL LEGAL OPINION

[TO BE INSERTED]

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EXHIBIT E

FORM OF PRC COUNSEL LEGAL OPINION

[TO BE INSERTED]

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EXHIBIT F

FORM OF EMPLOYMENT AND NON-COMPETE AGREEMENT

[TO BE INSERTED]

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EXHIBIT G

RED CHIP FINANCING PLAN

[TO BE INSERTED]

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